



The Institute of Chartered Accountants of India  
(Set up by an act of Parliament)

# The Chartered Accountant **STUDENT**

Your monthly guide to CA news, information and events

**Special Issue on  
Auditing and  
Assurance :  
Intermediate IPC**

**FINANCE**  
**INFORMATION**  
**AUDITING**  
**&**  
**ASSURANCE**  
**ASSESSMENT**  
**TAX**  
**CALCULATE**  
**QUALITY OF SERVICE**  
**BUSINES**

BASED

GUIDE

SYSTEMS

CONTROL  
EVALUATION  
COST  
STATEMENT

RITY



The Institute of Chartered Accountants of India (ICAI)

(Set up by an Act of Parliament)



# CAREER COUNSELLING AND CAREER FAIR **by ICAI**

Students of



OR



Are you/ your child thinking like this:

- ✓ Where am I headed?
- ✓ Which field to choose, what is best for my child?
- ✓ After Commerce, what career should I choose?

Searching answers to such questions...

**Worry no further ...!**

ICAI invites students along with their parents to this first ever career counselling and career fair organised in Mumbai !

## Highlights of the Event

- ➔ Free Aptitude test
- ➔ Professional panel of Counsellors
- ➔ Eminent speakers from Industries
- ➔ Introduction to various courses under one roof
- ➔ Personalised counselling
- ➔ Special Session on soft skills for students
- ➔ Panel discussions by experts
- ➔ Exposure to various participating companies at the event

**Date:** 4 and 5 June, 2017 [Choose your 3 hour slot on any of the day]

**Time:** 9 am to 6 pm

**Venue:** Thakur College Campus, Thakur Village, Kandivali (East), Mumbai - 400101

For assistance, contact: **022 - 3367 1575 / 77 | 0120 - 3045910**

**For Free** limited registrations, please visit [www.cccicai.in](http://www.cccicai.in)  
Enrol yourself now to select your **preferred slot** for counselling!

Organised by : **Career Counselling Group of ICAI** | Hosted by: **WIRC of ICAI**

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## My Dear Students,

With May 2017 exams finally over, you can now take a breather and feel relaxed for a while. This period should be suitably utilized to rejuvenate oneself by pursuing a creative hobby, sports or any other engaging activity such as yoga/meditation that invigorates you both mentally and physically. For those who are undergoing articleship or in employment this break may be very short but once exams are over a short well-deserving break may be good to recharge your mental faculties before the creative juices start flowing again.

### Knowledge Enhancement: A Continuing Process

Post examination, you must utilize your time rationally. Continual enhancement of knowledge is essential to stay ahead of your peer group. Knowledge empowers you to take on the world with confidence, to confront and surpass any challenge and emerge victorious in your pursuits. Noted thinker and motivator **Steven Covey** remarked- *Our character is a composite of our habits; sow a habit, reap a character.* Developing a regular reading habit not only helps to build your thought process but also helps in enriching your knowledge. Reading business dailies and magazines, helps in staying abreast with the current news and events in the domestic as well as in global economic markets. Economic journals are a good source of **Case Studies** that assist to understand issues threadbare and getting to their core and cultivate acumen for analytical thinking, enabling you to solve complex problems and developing a professional bent of mind.

### Helpline for You

The Board of Studies, ICAI is committed to provide good services and learning resources to our students. In an endeavor to provide timely information uniformly to the student community across the nation, BoS has launched a **toll free helpline**, (No. 18001211330) where generic and subject specific information can be sought. While the helpline will be operational from 10 AM to 5:30 PM on Monday to Friday, the subject faculties at BoS will answer subject specific queries in the time slot of 3PM to 4PM.

### Facilitating Learning

Taking learning to the doorsteps of our prospective students, BoS organized **webcasts** for CPT applicants appearing for June 2017 exam. A total of **120 hours** of lectures spread over

20 days covered the entire syllabus for all the subjects in CPT. The respective three-hour webcast was followed by an interactive session wherein students asked their queries and sought technical guidance from the faculties. A good number of students benefitted from the initiative. These webcasts are also available for offline viewing at the [link http://cloudcampus.icai.org/page.html?page\\_id=19](http://cloudcampus.icai.org/page.html?page_id=19) so that you can take benefit of this initiative at your convenient time.

Furthering the learning initiative, BoS organized Three-Day Refresher Course on GST through Webcast-cum-Seminar mode to educate our budding chartered accountants about its various aspects and subtle nuances to enrich their knowledge about the policy framework in the current business environment.

### National Talent Hunt: A Platform to Cultivate Skills

We at ICAI through Board of Studies regularly organize many student-centric activities to enhance their soft skills with an objective to transform our students into more confident and competent young professionals raring to make a difference. One such event is the forthcoming **National Talent Hunt** being organized, to showcase good presentation, and oratory skills of our students. The final event will be organized at a grandiose scale as a live extravaganza on **July 15, 2017**. The winners will represent the institute at the **International SAFA Elocution Contest**. The event will be instrumental in bringing together the best talent at one platform inspiring the entire student fraternity to cultivate their skills and chisel their personality.

The BoS is also organizing several **student conferences** in the current month at **Jaipur, Vijaywada, Faridabad, Hisar and Coimbatore**. These events present a wonderful opportunity for you to participate in several activities as per your expertise to hone your skills and boost your confidence. You will also get to interact and connect with a galaxy of professionals from all walks of life including industry stalwarts, veteran practitioners, and bureaucrats and getting to learn from their experiences. Along with your regular studies, you should attend/participate in such conferences to enhance and share your knowledge and discuss /debate future career prospects with your peer group from other regions.

### Hallmark of Success

You must have confidence in yourself, your capabilities and your decisions. You must be guided by your conscience and guard yourself against all negative thoughts, this is the hallmark of a strong character. You must train and condition yourself for big things in life. Always remember: **Big things require Big minds, Big hearts and Bigger preparation.** Make consistent and concerted efforts and positive results shall follow on their own. **Let knowledge be the wind beneath your wings, surge ahead and fly!**

Yours Sincerely,

**CA. NILESH S. VIKAMSEY**  
PRESIDENT  
ICAI, NEW DELHI

## VICE PRESIDENT'S COMMUNICATION ||



Dear Students,

By the time this issue reaches your hands, the May 2017 Examinations would have been over. Those who have done well must be having a feeling of relief and will be waiting very hopefully for the results. Now you can have a break but the same cannot be too long. Those who will be completing Intermediate IPC and have not joined for the articleship, may go for **100 hours ITT** training and the **Orientation Programme**. Those who are enrolling for the Final have to start studying all the subjects in right earnest. Start your preparations with a focus on gaining knowledge. Those who have not done well in the examinations and not very hopeful of a positive outcome, should continue the momentum of their studies and should keep in touch with their subjects.

As you know, the Chartered Accountancy course has been designed in such a manner that practical training plays a major role in helping you to acquire sound and clear understanding of various concepts. Practical training exposes you to diverse practical situations and enables you to acquire skills and expertise, the Chartered Accountancy profession requires. In order to successfully achieve this objective, it is incumbent upon you to develop a disciplined attitude, and to be prepared to do hard work and acquire necessary skills in applying theoretical knowledge to practical situations. You must approach the practical training with an open mind and with the objective of achieving the most. *"Excellence, then, is a state concerned with choice, lying in a mean, relative to us, this being determined by reason and in the way in which the man of practical wisdom would determine it."* - Aristotle.

I would like to advise you that you all should induce a positive attitude by boosting your confidence level to scale new heights. For the future Chartered Accountants, the road is paved with tremendous opportunities in diversified fields of finance. However, the hardships and obstacles, which one encounters along the way, are often so taxing that many students tend to give up their career

path midway. Being future Chartered Accountants, you all need to be slightly more self-confident than the average students, to reach the goal of success.

Your commitment has to be total. Half-hearted efforts are likely to produce mediocre results only. So, whatever work you are doing, do it whole heartedly. The quality of the work you render would be admired for ever.

*"The quality, not the longevity, of one's life is what is important."* Martin Luther King Jr.

Be dedicated to your goal and apply your energy, thoughts and time with single-minded devotion. Time management and prioritization are other important factors. You should be capable enough to distinguish between urgent and important matters, while in a job. So try and learn as much as possible about your job on hand. Such knowledge promotes self-confidence. This knowledge can be gained through extensive reading not only the subject books but also other books, magazines, newspapers etc.

The Board of Studies is organizing a lot of National Conventions/Conferences for CA Students in different Regions in the country in the coming months. It is my sincere desire that students should participate in these conventions as paper writers. However, in case you are not able to be a paper writer, at least attend the conferences as student delegates. The seminars, conferences and other programmes will help you in bridging the physical distances that exist between the Institute and its students.

Wish you all the best

Yours sincerely

A handwritten signature in black ink, appearing to read 'Naveen D. Gupta'.

CA. NAVEEN N. D. GUPTA  
VICE PRESIDENT, ICAI, NEW DELHI



Dear Students,

**A**t the outset, our best wishes for the results of recently concluded Chartered Accountancy examination of May 2017 attempt. Hope the efforts put in by you will reap the desired fruits. Webcasts coupled with mock tests organized by Board of Studies must have helped you to realize your potential.

### NEW SYLLABUS IN ICAI FROM 1ST JULY 2017

Dear Students, we are happy to inform you that our new syllabus has now been fully approved by the Council and Government of India and we are ready to launch the same on 1<sup>st</sup> July 2017. The new course will offer unique features for our students. The new syllabus is designed based on International Education Standards of IAESB (IFAC) and will carry global curriculum coupled with elective paper, case study based open book examination with mix of multiple choice questions at the final level. We have also revised the curriculum of communication skills and Information Technology part of our syllabus. Students in the new scheme will get the study material at home. The details of the new scheme coupled with transitional scheme will be hosted on the Institute's website by the time you get this communication. Students already pursuing the course at different levels need not worry as there will be certain parallel attempts for them in the old scheme.

### SPECIAL ONE DAY PROGRAMS ALONG WITH GST REFRESHER COURSE FOR STUDENTS

We have developed a series of one-day programs to equip you with various aspects of profession ranging from statutory audit to concurrent audit, tax audit, how to file income tax return and others. In that series, we are organizing a three-day refresher course on GST at all India level wherein certain sessions will be on webcast and other by speakers located at branch levels. Already we are getting very good response for GST program and advise you to attend each such program for your skill development.

### NURTURING VALUES & INTEGRITY- ATTAINING EXCELLENCE IN PROFESSIONAL PURSUITS

Attaining professional excellence with values and integrity should be our prime objective. Apart from source of personality development, our Conferences would become a source of inspiration for all of you. Keeping this objective in mind, your Board of Studies has redesigned the Conference theme and session plan wherein apart from students showcasing their talent, to share the wisdom of role model of our profession, we have inserted special addresses from various achievers who will share their journey to self actualization. We are organizing more than 40 such conferences all over India in the next six months and the theme of these conferences will be "CA Students Conference- Nurturing Values & Integrity- Attaining Excellence in Professional Pursuits". Our request to you is not only to participate in these conferences but also to become paper presenters for your skill development.

### SAFA CONFERENCE IN GOA AND INTERNATIONAL ELOCUTION CONTEST IN NEPAL

As you are aware that ICAI being a member of South Asia Federation of Accountants (SAFA), every year we organize a conference to invite students from SAFA countries and have one conference at international venue. This year the SAFA conference will be held at Goa in the early days of December 2017 and International SAFA elocution contest on 30<sup>th</sup> January 2018 in Nepal. These conferences will offer a chance to our students to showcase their talent at international arena. It will be our endeavour to assist you for your active participation in these programs.

### GST IN NOVEMBER 2017 EXAMINATION -FINAL COURSE

Dear Students, as we all know that Goods and Services Tax is going to be implemented in India soon. Being a partner in nation building and always working shoulder to shoulder with the government, Chartered Accountants have to play a very important role in this changing regime. Looking at its importance, the Council in its recently concluded meeting resolved to introduce 10 marks for GST in CA Final examination for November 2017. To support our students, we have carved out certain topics from Central Excise and Service tax (not related to upcoming regime of GST) to compensate the extra efforts. Detailed announcement of the inclusion and exclusion in Indirect Tax Papers will be hosted on ICAI website by the time you receive this communication.

Best Wishes

**CA. ATUL K GUPTA**  
CHAIRMAN, BOARD OF STUDIES, ICAI

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## SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

### ANNUAL SUBSCRIPTION RATES

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## AUDITING AND ASSURANCE : A Capsule for Quick Revision

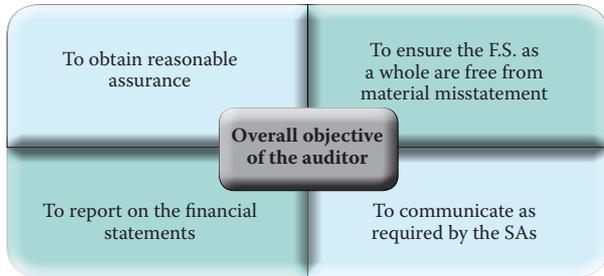
It has always been the endeavour of Board of Studies to provide quality academic inputs to the students of Chartered Accountancy Course. Keeping in mind this objective, BoS has decided to come out with a Crisp & Concise Capsule of each subject to facilitate students for quick revision before examination.

The third in the series of capsules is on Paper 6: Auditing & Assurance of Intermediate (IPC) Course. It may be mentioned that this capsule is a tool for quick revision of some significant areas of Auditing & Assurance & this should not be taken as a substitute for the detailed study of the subject. Students are advised to refer to the relevant Study Material, Practice Manual and RTP for comprehensive study & revision.

### CHAPTER 1 : NATURE OF AUDITING

#### What is an Audit

“An audit is independent examination of financial information of any entity, whether profit oriented or not, and irrespective of its size or legal form, when such an examination is conducted with a view to expressing an opinion thereon.”



#### SCOPE OF AUDIT

To form an opinion, ensure that the accounting information is reliable and sufficient i.e. basis for the preparation of the financial statements

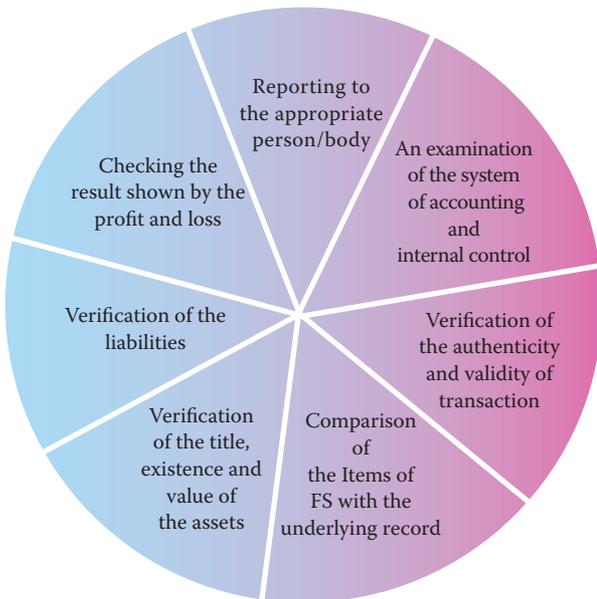
All aspects relating to Accounting and Finance of the enterprise to be covered

Ensure whether the relevant information is properly disclosed in the financial statements

Not to perform duties which fall outside the scope of his competence.

Constraints on the scope of the audit that impair the auditor's ability to express an unqualified opinion should be set out in his report

#### Aspects to Be Covered In Audit



Safeguards the interest of persons not associated with the management

Government may require audited and certified statement

Acts as a moral check on the employees

#### Advantages of Audit

Helps in the detection of wastages and losses

Helpful in settling liability for taxes

Useful for settling trade disputes

# AUDITING AND ASSURANCE ||

**Inherent Limitations of Audit** (SA 200 “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing”): The auditor is not expected to, and cannot, reduce audit risk to zero because there are inherent limitations of an audit. The inherent limitations of an audit arise from:

**The Nature of Financial Reporting:** The preparation of financial statements involves judgment by management.

**The Nature of Audit Procedures:** There are practical and legal limitations on the auditor’s ability to obtain audit evidence such as:

Possibility that management or others may not provide, intentionally or unintentionally, the complete information relevant for preparation and presentation of FS.

Fraud may involve sophisticated and carefully organised schemes.

An audit is not an official investigation into alleged wrongdoing.

**Timeliness of Financial Reporting and the Balance between Benefit and Cost:** Relevance of information, and thereby its value, tends to diminish over time, and there is a balance to be struck between the reliability of information and its cost.

**Other Matters that Affect the Limitations of an Audit:** Certain assertions or subject matters are particularly significant, such as assertions or subject matters include:

- Fraud, particularly involving senior management or collusion.
- The occurrence of non-compliance with laws and regulations.
- The existence and completeness of related party relationships and transactions.
- Future events or conditions that may cause an entity to cease to continue as a going concern.

## Relationship of Auditing With Other Disciplines



## Types of Audit

**Audit required under law:** The organisations which require audit under law are the following:

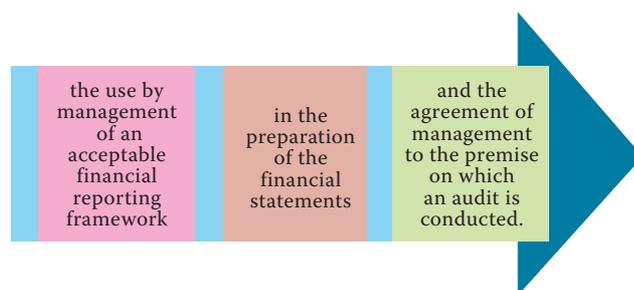
- companies governed by the Companies Act, 2013;
- banking companies;
- electricity supply companies;
- co-operative societies;
- public and charitable trusts;
- corporations set up under an Act of Parliament or State Legislature.
- Specified entities under various sections of the Income-tax Act, 1961.

**In the voluntary category** are the audits of the accounts of proprietary entities, partnership firms, Hindu undivided families, etc.

## Applicability of Engagement and Quality Control Standards

|      |  |
|------|--|
| SAs  | apply in the audit of historical financial information.  |
| SREs | apply in the review of historical financial information  |
| SAEs | apply in assurance engagements, dealing with subject matters other than historical financial information                                   |
| SRSs | apply to engagements to apply agreed upon procedures to information and other related services engagements such as compilation engagements |

## Preconditions for an Audit (SA 210 “Agreeing the Terms of Audit Engagements”):

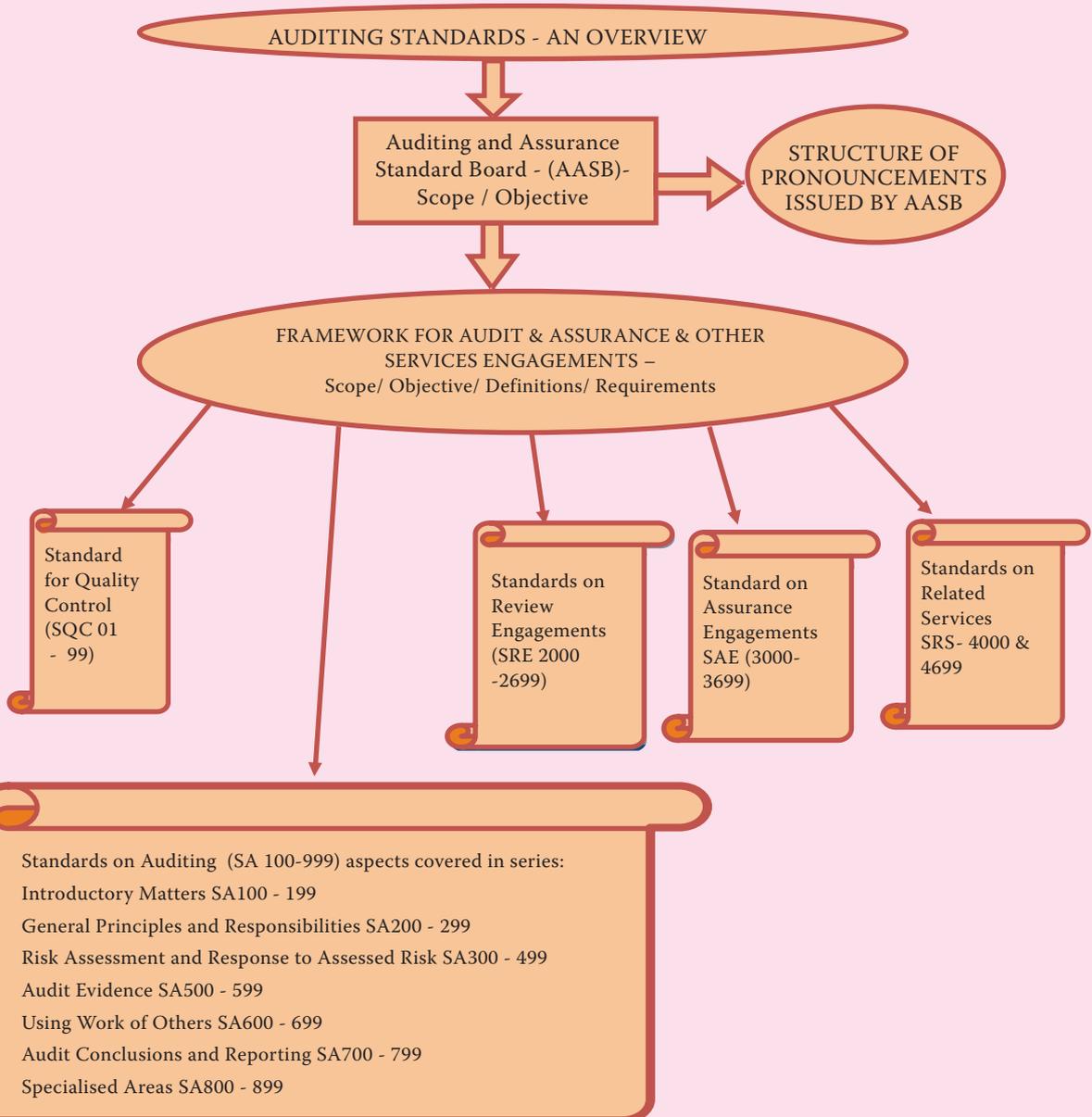


# || AUDITING AND ASSURANCE

**International Auditing and Assurance Standards Board (IAASB):** The IFAC Board has established the IAASB to develop and issue, in the public interest and under its own authority, high quality auditing standards for use around the world. The IAASB functions as an independent standard-setting body under the auspices of IFAC.

**Auditing and Assurance Standards Board:** ICAI is a member of the IFAC and is committed to work towards the implementation of the guidelines issued by the IFAC. ICAI constituted the AASB (erstwhile Auditing Practices Committee) to review the existing auditing practices in India and to develop Engagement and Quality Control Standards (erstwhile Statements on Standard Auditing Practices) so that these may be issued by the Council of the Institute.

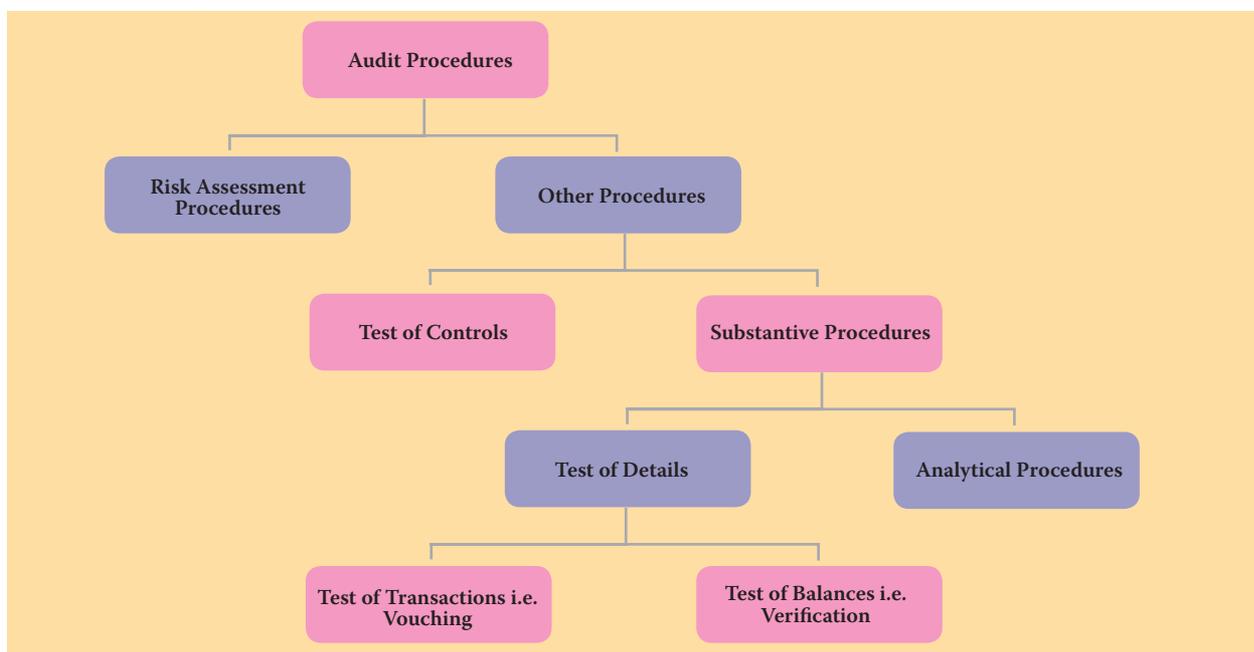
**Diagrammatic Representation of the Structure of Standards Under the New Preface**



# AUDITING AND ASSURANCE ||

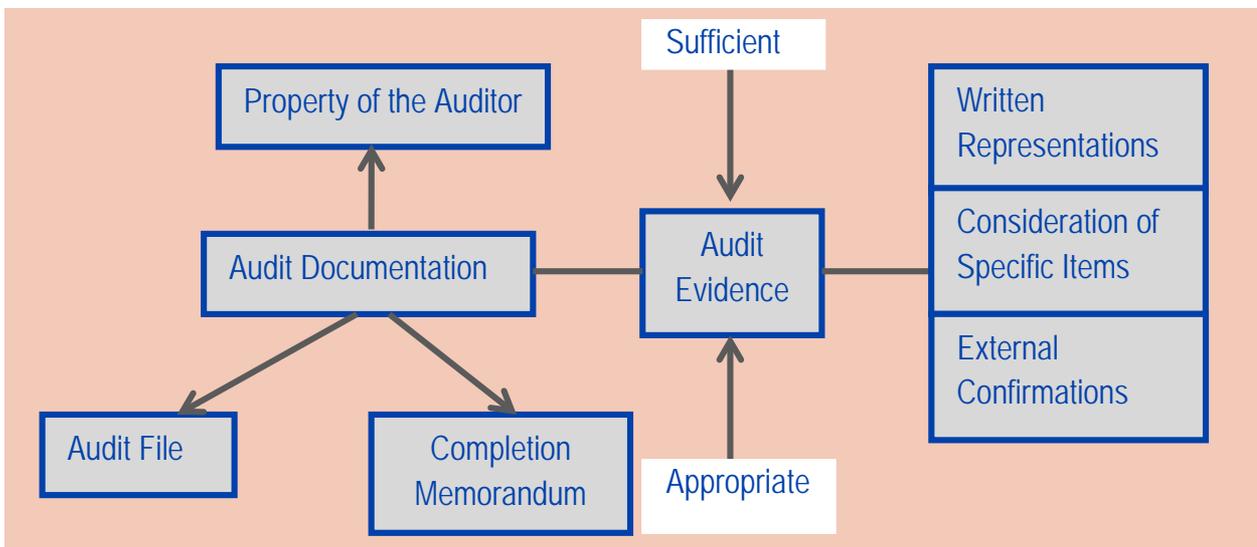
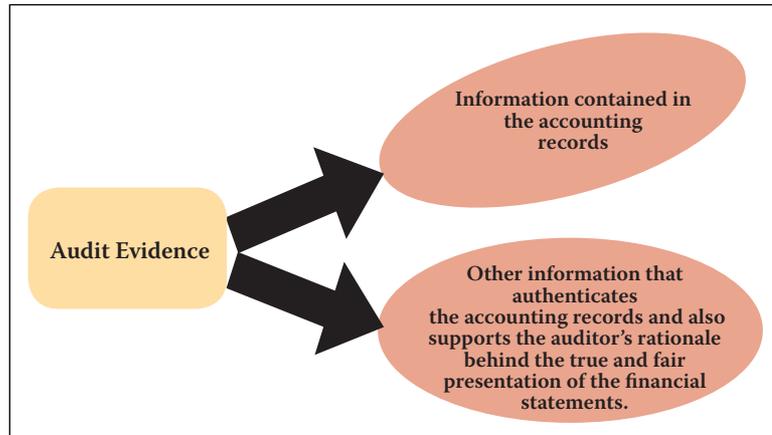
## CHAPTER 2 : BASIC CONCEPTS IN AUDITING

|   |  |
|---|--|
| <b>Auditor's Independence</b>             | <p>Independence is the keystone upon which the respect and dignity of a profession is based. Independence implies that the judgement of a person is not subordinate to the wishes or directions of another person who might have engaged him or to his own self interest.</p>  <p>The diagram shows 'Fundamental Principles' at the center, surrounded by six interconnected hexagons: Integrity, Objectivity, Professional Competence and Due Care, Confidentiality, Professional Behaviour, and Technical Standards.</p> |
| <b>True and Fair</b>                      | <p>The phrase “true and fair” in the auditor’s report signifies that the auditor is required to express his opinion as to whether the state of affairs and the results of the entity as ascertained by him in the course of his audit are truly and fairly represented in the accounts under audit.</p>  |
| <b>Accounting policies</b>                | <p>Accounting policies refers to the specific accounting principles and the methods of applying those principles adopted by the enterprise in the preparation and presentation of financial statements.</p>  |
| <b>Fundamental Accounting Assumptions</b> | <p>AS 1 states that fundamental accounting assumptions are usually not specifically stated because their acceptance and use are assumed. Disclosure is necessary if they are not followed.</p>  <p>The flowchart shows three sequential assumptions: Going Concern (blue box) → Consistency (red box) → Accrual (green box).</p>   |



# AUDITING AND ASSURANCE

**AUDIT EVIDENCE** is information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit Evidence includes both information contained in the accounting records underlying the financial statements and other information.

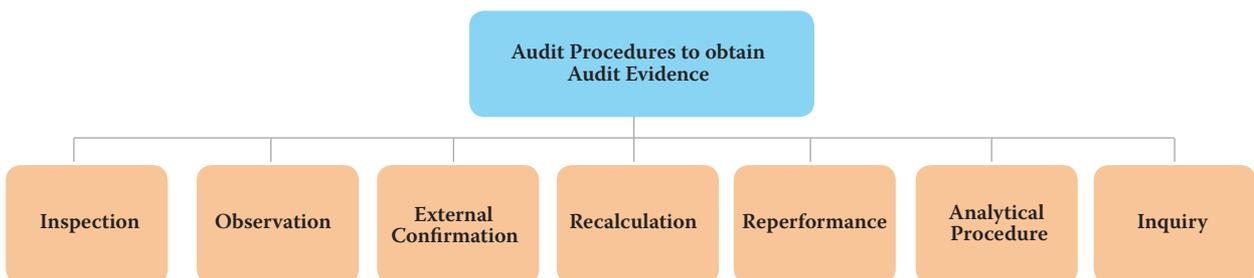


**Auditor should obtain sufficient and appropriate audit evidence.**  
**Sufficiency of audit evidence :** Sufficiency is the measure of quantity of audit evidence. Auditor's judgment as to sufficiency may be affected by the factors such as :

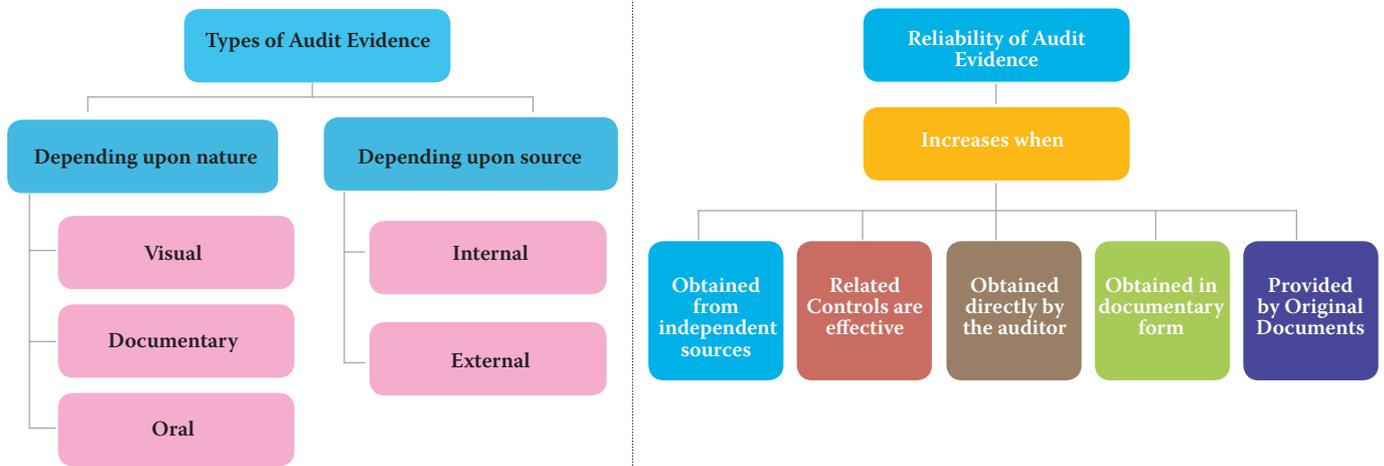
- (i) Materiality
- (ii) Risk of material misstatement
- (iii) Size and characteristics of the population.

**Appropriateness of Audit Evidence:** Appropriateness is the measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor's opinion is based.

**Audit Procedures to Obtain Audit Evidence:** Audit evidence to draw reasonable conclusions on which to base the auditor's opinion is obtained by performing:

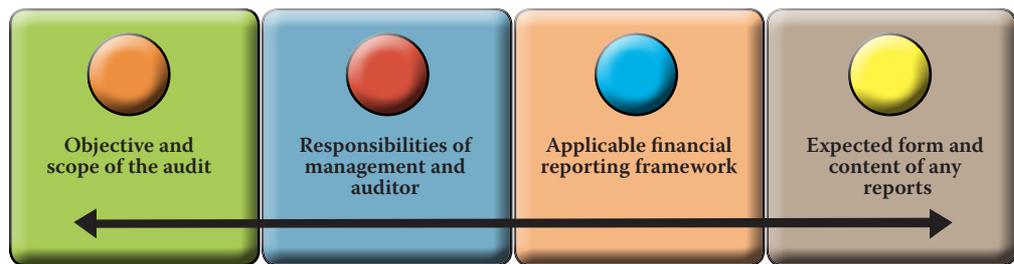


# AUDITING AND ASSURANCE ||



## CHAPTER 3 : PREPARATION FOR AN AUDIT

**Agreement on Audit Engagement Terms** {(SA 210) agreed terms of the audit engagement shall be recorded in an audit engagement letter or other suitable form of written agreement)} shall include:



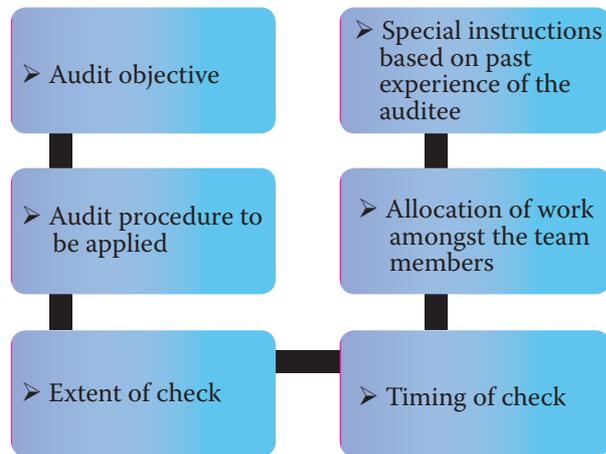
### DEVELOPMENT OF AN OVERALL PLAN:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>➤ The terms of his engagement and statutory responsibilities.</li> <li>➤ Nature and timing of reports.</li> <li>➤ Applicable legal or statutory requirements.</li> <li>➤ Accounting policies adopted by the client.</li> <li>➤ Effect of new accounting or auditing pronouncements on the audit.</li> <li>➤ Identification of significant audit areas.</li> <li>➤ Setting of materiality levels for audit purposes.</li> <li>➤ The degree of reliance on accounting system and internal control.</li> </ul> | <ul style="list-style-type: none"> <li>➤ Possible rotation of emphasis on specific audit areas.</li> <li>➤ The nature and extent of audit evidence to be obtained.</li> <li>➤ The work of internal auditors and the extent of their involvement.</li> <li>➤ The involvement of other auditors.</li> <li>➤ The involvement of experts.</li> <li>➤ The allocation of work between joint auditors.</li> <li>➤ Establishing and coordinating staffing requirements.</li> </ul> |
|--|--|

In establishing the overall audit strategy, the auditor shall:



**AN AUDIT PROGRAMME** is a detailed plan and consists of a series of verification procedures to be applied to the financial statements and accounts of a given company for the purpose of obtaining sufficient evidence to enable the auditor to express an informed opinion on such statements. For framing an audit programme, some points should be kept in view:



**Audit Techniques:** For collection and accumulation of audit evidence, certain methods and means are available and these are known as audit techniques



The two terms, procedure and techniques, are often used interchangeably. However, a distinction does exist. Procedure may comprise a number of techniques and represents the broad frame of the manner of handling the audit work; techniques stand for the methods employed for carrying out the procedure.

For example, procedure requires an examination of the documentary evidence. This job is performed by the procedure known as vouching which would involve techniques of inspection and checking computation of documentary evidence.

**AUDIT DOCUMENTATION (SA 230)** refers to the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (term such as “working papers” is also sometimes used).

# AUDITING AND ASSURANCE ||

## Examples of Audit Documentation.

Audit programmes.

Letter of confirmation and representation.

Correspondence (including e-mail) concerning significant matters.

Checklists.

### Form and Content of Working Papers depend on factors such as:

- Size and complexity of the entity.
- Nature of the audit procedures to be performed.
- Identified risks of material misstatement.
- Significance of the audit evidence obtained.
- Nature and extent of exceptions identified.
- Need to document a conclusion not determinable from audit evidence.
- The audit methodology and tools used.

Audit documentation serves a number of purposes:

• Assists the engagement team to plan and perform the audit.

• Assists team members to discharge their review responsibilities as per SA 220.

• Accountability of engagement's team.

• Record of future audits.

• Quality control reviews and inspections as per SQC 1.

• External inspections as per legal requirements.

**AUDIT SAMPLING (SA530)** refers to the application of audit procedures to less than 100% of items within a population of audit relevance such that all sampling units have a chance of selection in order to provide the auditor with a reasonable basis on which to draw conclusions about the entire population.

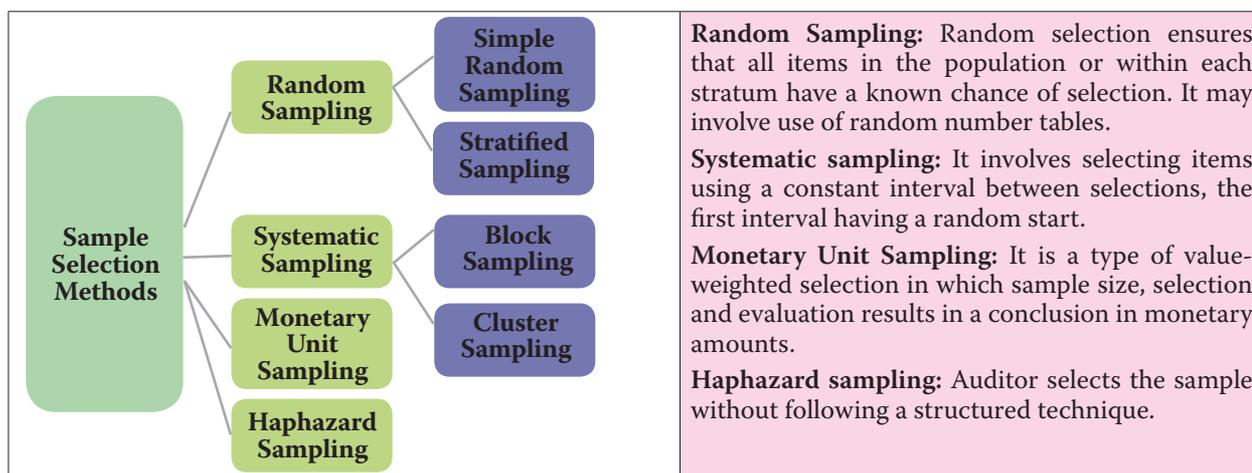
### Approaches to Sampling

Statistical Sampling

Non-Statistical Sampling

Statistical Sampling is more scientific than testing, based entirely on the auditor's own judgment as it involves use of mathematical laws of probability in determining the appropriate sample size in varying circumstances.

In Non-statistical Sampling approach auditor's opinion determines the sample size but it cannot be measured how far the sample size would fulfill the audit objective.



### ADVANTAGES OF STATISTICAL SAMPLING IN AUDITING:

- |  |
|--|
| (1) The amount of testing (sample size) does not increase in proportion to the increase in the size of the area (universe) tested. |
| (2) The sample selection is more objective and thereby more defensible.  |
| (3) The method provides a means of estimating the minimum sample size associated with a specified risk and precision.              |
| (4) It provides a means for deriving a “calculated risk” and corresponding precision (sampling error).                             |
| (5) It may provide a better description of a large mass of data than a complete examination of all the data.                       |

**AUDIT RISK** means the risk that the auditor gives an inappropriate audit opinion when the financial statement are materially misstated. SA 315 establishes requirements and provides guidance on identifying and assessing the risks of material misstatement at the financial statement and assertion levels.



**Audit risk is a function of the risks of material misstatement and detection risk**

$$\text{Audit Risk} = \text{Risk of Material Misstatement} \times \text{Detection Risk} \text{-----(1)}$$

$$\text{Risk of Material Misstatement} = \text{Inherent Risk} \times \text{Control Risk} \text{-----(2)}$$

From (1) and (2), we arrive at-

$$\text{Audit Risk} = \text{Inherent Risk} \times \text{Control Risk} \times \text{Detection Risk}$$

**Risk of material misstatement may be defined as** the risk that the financial statements are materially misstated prior to audit. This consists of two components, described as follows at the assertion level:

**(A) Inherent risk**—The susceptibility of an assertion about a class of transaction, account balance or disclosure to a misstatement that could be material, either individually or when aggregated with other misstatements, before consideration of any related controls.

**(B) Control risk**—The risk that a misstatement that could occur in an assertion about a class of transaction, account balance or disclosure and that could be material, either individually or when aggregated with other misstatements, will not be prevented, or detected and corrected, on a timely basis by the entity’s internal control.

**(C) Detection Risk:** The risk that the procedures performed by the auditor to reduce audit risk to an acceptably low level will not detect a misstatement that exists and that could be material, either individually or when aggregated with other misstatements.

### Assessment of Risks - Matter of Professional Judgement

**Surprise Checks:** are a part of normal audit procedures. An element of surprise can significantly improve the audit effectiveness. Wherever practical, an element of surprise should be incorporated in the audit procedures. The element of surprise in an audit may be, both in regard to the time of audit, i.e. selection of date, when the auditor will visit the client’s office for audit and selection of areas of audit.

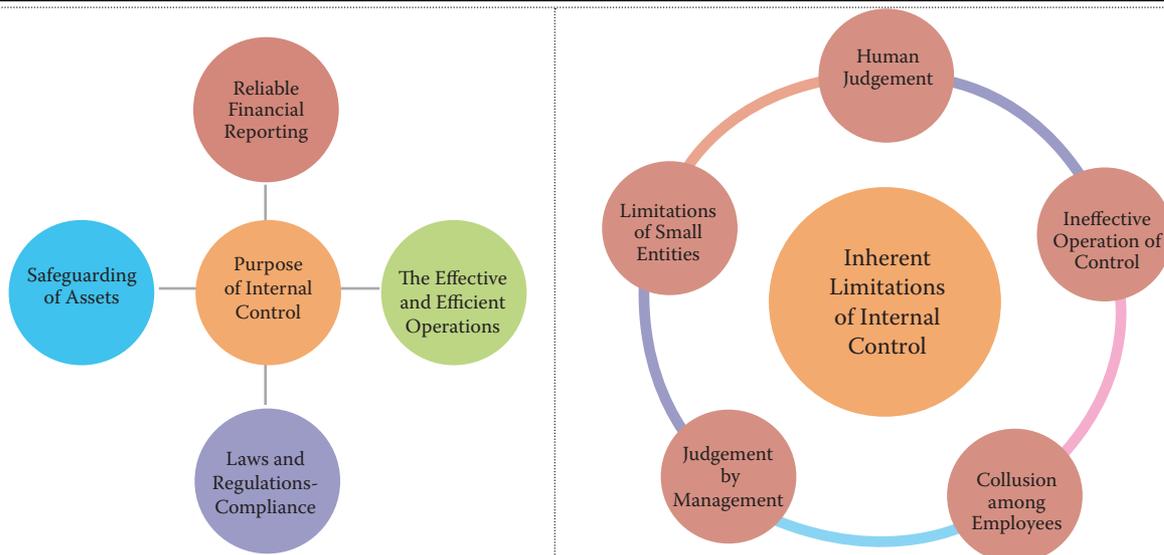
**Areas where Surprise Checks can Significantly Improve the Effectiveness of an Audit:** Surprise checks constitute an important part of normal audit procedure. An element of surprise both with regard to the time of checking and selection of items, significantly improves the effectiveness of an audit. Normally, areas over which surprise check can be employed are-

- (i) Verification of cash and investments.
- (ii) Inventory.
- (iii) Internal control and internal checks.
- (iv) Books of prime entries and statutory registers, etc.

# AUDITING AND ASSURANCE ||

## CHAPTER 4 : INTERNAL CONTROL

**CONCEPT OF INTERNAL CONTROL:** “The process designed, implemented and maintained by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of an entity’s objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, safeguarding of assets, and compliance with applicable laws and regulations. The term “controls” refers to any aspects of one or more of the components of internal control.”

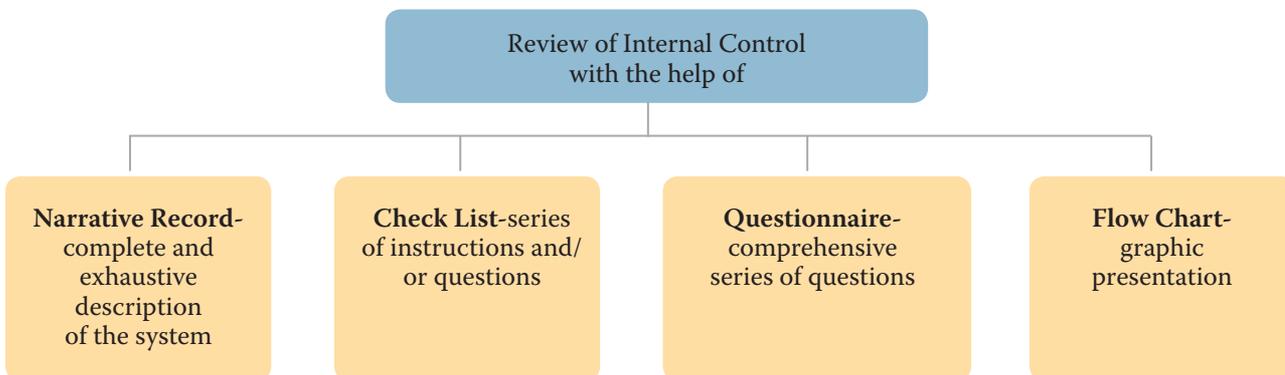


### Benefits of IT in an Entity’s Internal Control

- Processing of large volumes of transactions or data becomes simple
  - ☐ Enhances the timeliness, availability, and accuracy of information
- Facilitates the additional analysis of information
  - ☐ Enhances the ability to monitor the performance of the entity’s activities and its policies and procedures
- Reduces the risk that controls will be circumvented; and
  - ☐ Effective segregation of duties through security controls

### IT poses Specific Risks to an Entity’s Internal Control

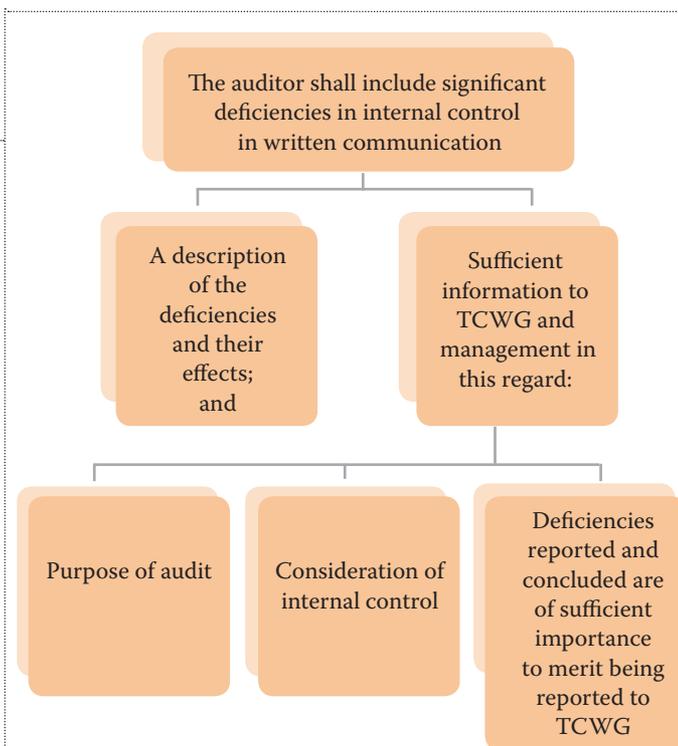
- Reliance on systems or programs processing inaccurate data
- Unauthorised access to data that may result in destruction of data
- Breaking down segregation of duties through access privileges
- Unauthorised changes to data in master files
- Unauthorised changes to systems or programs
- Failure to make necessary changes to systems or programs
- Inappropriate manual intervention
- Potential loss of data or inability to access data as required



## INTERNAL AUDIT



“Internal Audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity’s risk management and internal control system.”



**Applicability of Provisions of Internal Audit:** (section 138 of the Companies Act, 2013 & Rule 13 of Companies (Accounts) Rules, 2014) :

|   |   |
|---|---|
| (a) every listed company;   |   |
| (b) every unlisted public company having-   | (iii) outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year; or |
| (i) paid up share capital of fifty crore rupees or more during the preceding financial year; or | (iv) outstanding deposits of twenty five crore rupees or more at any point of time during the preceding financial year; and   |
| (ii) turnover of two hundred crore rupees or more during the preceding financial year; or       |   |
| (c) every private company having-   |   |
| (i) turnover of two hundred crore rupees or more during the preceding financial year; or        | (ii) outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year:     |

# AUDITING AND ASSURANCE ||

## CHAPTER 5 : VOUCHING

### VOUCHING

The act of examining vouchers to establish the authenticity of the transactions with the relevant documentary evidence and the authority and to ensure the amount of voucher posting to an appropriate account which would disclose the nature of the transaction on its inclusion in the final statements of account.

On these considerations, the essential points to be borne in mind while examining a voucher are that the :

- (i) date of the voucher falls within the accounting period;
- (ii) voucher is made out in the client's name;
- (iii) voucher is duly authorised;
- (iv) voucher comprised all the relevant documents, i.e., the voucher is complete in all respects; and
- (v) account adjusted as per voucher is disclosing the character of the receipts or payments posted thereto on its inclusion in the final accounts.

After the examination is over, each voucher should be either impressed with a rubber stamp or initialed so that it may not be presented again in support of another entry.

#### SALE OF SCRAP:

- Review the internal control as regards generation, storage and disposal of scrap.
- Check whether the organization is maintaining reasonable record for generation of scrap.
- Analyze the raw material used, production and generation pattern of scrap and compare the same with figures of earlier year.
- Check the rates at which scrap has been sold and compare the rate with previous year.
- Vouch sales, with invoices raised, advertisement for tender, rate contract with scrap dealers.
- Ensure the existence of proper control procedure to identify scrap and good units and they are not mixed up and sold as scrap.
- Make an overall assessment of the value of realization from scrap as to its reasonableness

#### PURCHASE RETURN:

- Examine debit note issued to the supplier which in turn may be confirmed by corresponding credit note issued by the supplier acknowledging the same.
- Verify by reference to relevant corresponding record in good outward book or the stores records. Compare the figures in documentary evidence with the supplier's original invoices for rates and other charges and calculation should also be checked.
- Examine in depth to eliminate the possibility of fictitious purchase returns for covering bogus purchases recorded earlier when such returns outwards are in substantial figure either at the beginning or end of the accounting year.
- Cross-check with reference to original invoices any rebates in price or allowances if any given by suppliers on strength of their Credit Notes.

#### BAD DEBTS:

- Check that amount of bad debts should be traced to the schedule of bad debts written off during the year.
- Major amount of bad debts in the schedule be taken for scrutiny.
- Check that the amount considered in write off had been overdue for long and scrutinize the correspondence files.
- Check the authority for write off and the level of authority is sufficiently higher than the executive involved in collection.
- The bad debts should be properly disclosed in Statement of Profit and Loss according to its materiality.
- If provision had already been created for bad debts, see that to the extent of actual bad debts written off, the provision is released.

#### RENTAL RECEIPTS:

- Check copies of rent receipt issued to the tenant and bills of charges paid by the landlord on behalf of tenants.
- The entries in the rental register for accrued rent be traced with reference to rental bills copies.
- Scrutinize the account of collecting agent when the rent is collected by such agent.
- Vouch the entries for rent received in advance and ensure proper adjustment is made.
- Investigate into abnormal rent outstanding. Reconcile the outstanding rent and see that proper provision is made if unrecoverable.
- If rent is received net of TDS, see that rent income is shown at gross and TDS is shown in Balance Sheet as advance Tax.

### AUDIT OF CASH TRANSACTIONS

#### General Considerations

- (i) Internal Control System.
- (ii) Correctness of book-keeping records.
- (iii) Observance of accounting principles.
- (iv) Evidence of Transactions.
- (v) Validity of Transactions.
- (vi) Disclosure in the Final Accounts.

#### Casting or Totalling:

Where totals of the cash book or the ledger are found to have been made in pencil, the book keeper should be asked to ink the totals before their verification has commenced.

#### Bank Reconciliation Statement

Important accounting control. A copy of the statement duly signed by the accountant of the client after it has been checked, should be kept in record by the auditor along with other working papers, for future reference.

**General Consideration while Vouching Trading Transactions are:**

- (i) Correctness of book-keeping record
- (ii) Observance of accounting principles
- (iii) Checking of inventory and records

**Cut-off Arrangement:** It is the arrangement where the transactions of one period would be separated from those in the ensuing period so that the results of the working of each period can be correctly ascertained.

**Balance Sheet Audit:** A Balance Sheet Audit consists of the verification of all includible Balance Sheet items, together with the examination of expense and income accounts which are so closely related to these items that it cannot be properly verified without such analysis and test.

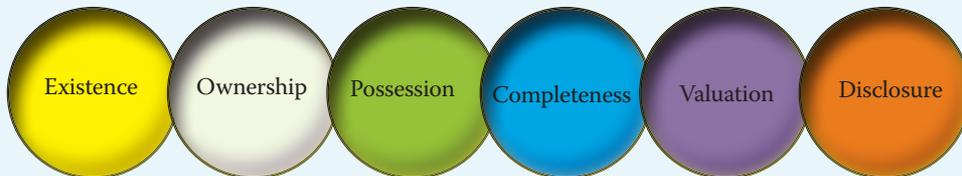
## CHAPTER 6 : VERIFICATION OF ASSETS AND LIABILITIES

**VERIFICATION:** is a process to verify the ownership, valuation, possession and existence of a particular Asset or Liability.

Verification relates to the assets and liabilities appearing in the balance sheet.

Verification is generally carried out at the end of year.

To confirm the following for items relating to balance sheet.



Verification is based on observation as well as documentary examination.

Verification requires experienced people and done by the senior staff. Verification includes valuation.

### TRADE PAYABLES

- (i) Check the adequacy of cut off procedure to ensure that transactions of next period are not accounted and all transactions at year-end are accounted.
- (ii) Check posting in the bought ledger from books of prime entry.
- (iii) Compare the balances in the schedule of trade payables with balances in bought ledger.
- (iv) Compare the balances with the confirmation or statement of account received from trade payables.
- (v) Pay special attention to long outstanding items and enquire about the reason thereof.
- (vi) Verify subsequent payments and reversal entries in the bought ledger of year-end entries.
- (vii) See that trade payables are classified and shown in the balance sheet as per requirement of Schedule III to the Companies Act, 2013.

### BANK BALANCES

Verify bank balance by reference to bank statements

Examine the BRS and verify whether cheques issued but not presented for payment, and cheques deposited for collection but not credited in the bank account, have been duly debited/credited in the subsequent period

Pay attention to outstanding items in the reconciliation statements for an unduly long period and required adjustment done for the same

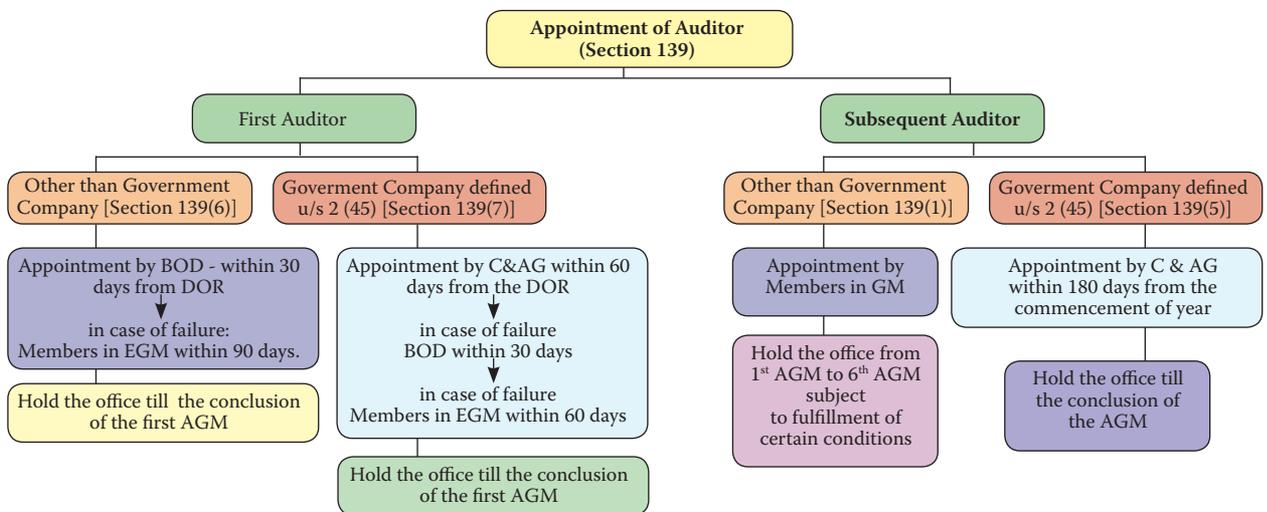
Examine relevant certificates for fixed or other type of deposits duly supported by bank advices

Check the disclosure requirement in the form of Balance Sheet as per Part I of Schedule III

# AUDITING AND ASSURANCE ||

## CHAPTER 7 : COMPANY AUDIT - I

### Appointment of Auditor



### Eligibility, Qualifications and Disqualifications of an Auditor (Section 141 of The Companies Act, 2013)

#### Who can be appointed as an Auditor?

A person shall be **eligible for appointment** as an auditor of a company **only if he is a chartered accountant**: In case of a firm, whereof majority of partners practising in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.

Where a firm including a limited liability partnership is appointed as an auditor of a company, partners who are chartered accountants shall be authorised to act and sign on behalf of the firm.

#### DISQUALIFICATIONS OF AN AUDITOR :

Under sub-section (3) of section 141 along with Rule 10 of the Companies (Audit and Auditors) Rules, 2014 following persons shall not be eligible for appointment as an auditor of a company

|   |  |   |
|---|--|---|
| (a) a body corporate other than a limited liability partnership registered under the LLP Act, 2008  |  |   |
| (b) an officer or employee of the company;  |  |   |
| (c) a person who is a partner, or who is in the employment, of an officer or employee of the company;   |  |   |
| (d) a person who, or his relative or partner -  |  |   |
| (i) 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; (relative may hold security or interest in the company of face value not exceeding rupees one lakh shall, wherever relevant, be also applicable in the case of a company not having share capital or other securities. Student may note that the corrective action to maintain the limits as specified above shall be taken by the auditor within 60 days of such acquisition or interest. | (ii) is indebted to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of rupees five lakh; or | (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company or its Subsidiary, or its Holding or Associate Company or a Subsidiary of such Holding Company, in excess of one lakh rupees. |
| (e) a person or a firm who, whether directly or indirectly has business relationship with the Company, or its Subsidiary, or its Holding or Associate Company or Subsidiary of such holding company or associate company, of such nature as may be prescribed;  |  |   |
| (f) a person whose relative is a Director or is in the employment of the Company as a director or Key Managerial Personnel.   |  |   |
| (g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such person or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies   |  |   |
| (h) a person who has been convicted by a Court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction.  |  |   |
| (i) any person whose subsidiary or associate company or any other form of entity, is engaged as on the date of appointment in consulting and specialized services as provided in section 144.   |  |   |

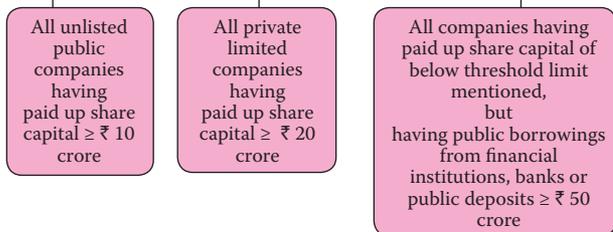
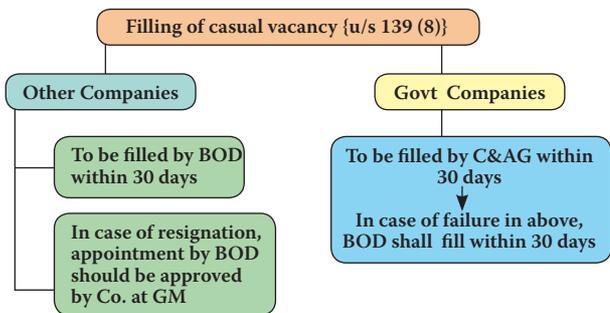
- Accounting and book keeping services;
- Internal audit;
- Design and implementation of any financial information system;
- Actuarial services;
- Investment advisory services;
- Investment banking services;
- Rendering of outsourced financial services;
- Management services; and
- Any other kind of services as may be prescribed.

Certain services not to be rendered by the Auditor as per section 144 of the Companies Act 2013

Where a person appointed as an auditor of a company incurs any of the disqualifications mentioned above, after his appointment, he shall vacate his office as such auditor and such vacancy shall be deemed to be a casual vacancy in the office of the auditor.

## Rotation of Auditor (SECTION 139(2) ROTATION OF AUDITOR)

As per rules prescribed in Companies (Audit and Auditors) Rules, 2014, for applicability of section 139(2) the class of companies shall mean the following classes of companies:-



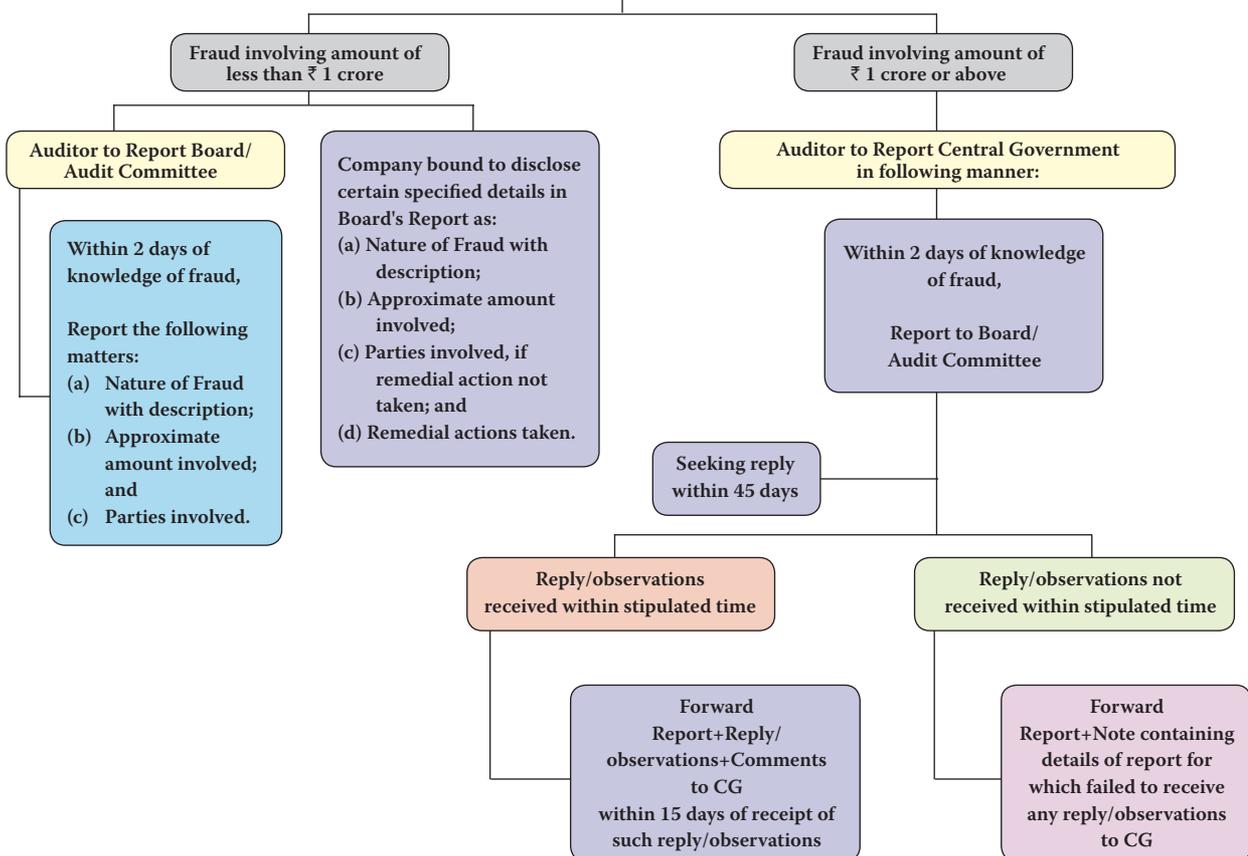
### CEILING ON NUMBER OF AUDITS (Section 141(3)(G) of the Companies Act, 2013)

A person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such person or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies, other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than rupees 100 crore, shall not be eligible for appointment as an Auditor of a Company.

In the case of a firm of auditors, it has been further provided that 'specified number of companies' shall be construed as the number of companies specified for every partner of the firm who is not in full time employment elsewhere.

The specified number of tax audit assignments that an auditor, as an individual or as a partner of a firm, can accept is 60 numbers.

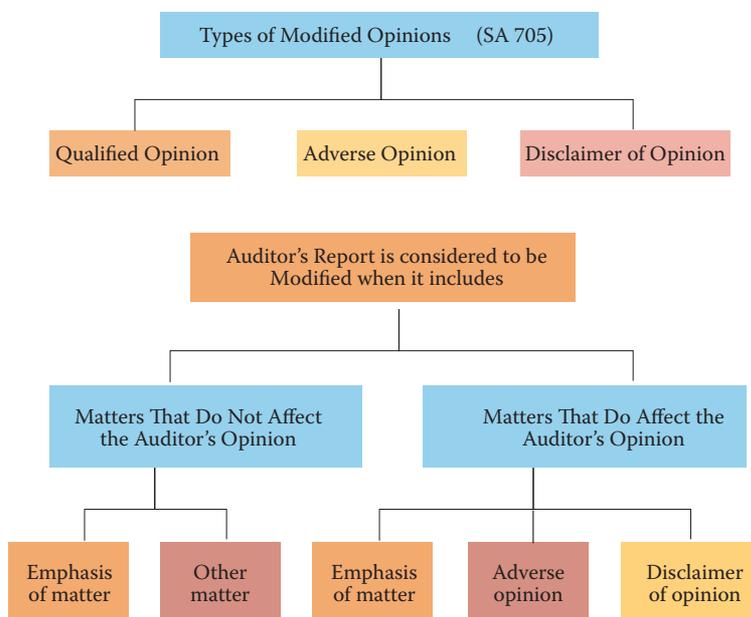
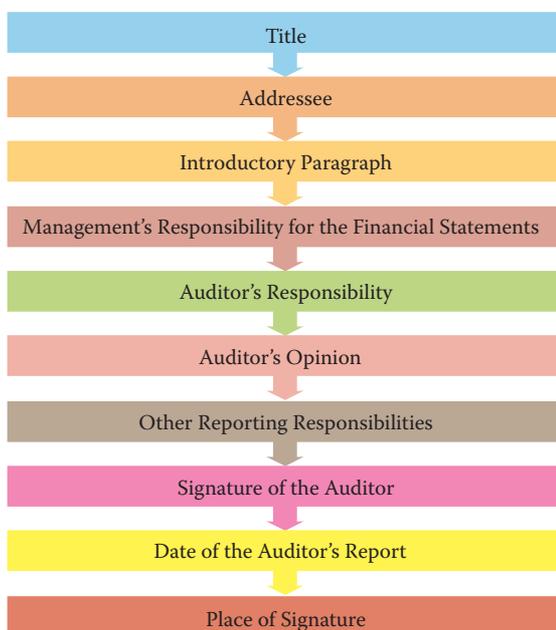
## Fraud Reporting [Section 143(12) of Companies Act, 2013 & Rule 13 of CAAR, 2014]



# AUDITING AND ASSURANCE ||

| Rights of Auditor   | Duties of Auditor  |
|---|--|
| <ul style="list-style-type: none"> <li>Right of access to books, etc.</li> <li>Right to obtain information and explanation from officers</li> <li>Right to receive notices and to attend general meeting</li> <li>Right to report to the members of the company on the accounts examined by him</li> <li>Right to Lien</li> </ul> | <ul style="list-style-type: none"> <li>Duty to Inquire on certain matters</li> <li>Duty to Sign the Audit Report</li> <li>Duty to comply with Auditing Standards</li> <li>Duty to report on S.S.</li> <li>Duty to report on frauds</li> <li>Duty to report on any other matter specified by Central Government</li> <li>Duty to state the reason for qualification or negative report</li> </ul> |

## Basic Elements of the Auditor's Report: As per SA 700 "Forming an opinion and reporting on financial statements":



| As per section 143 (3) of the Companies Act, 2013, the auditor's report shall state the matters relating to-    |  |   |
|---|--|---|
| (a) obtained all the information and explanations to the best of his knowledge and if not, the details thereof; | (d) balance sheet and profit and loss account are in agreement with the books of account and returns;        | (g) any director is disqualified to be appointed as director;   |
| (b) proper books of account as required by law have been kept by the company;                                   | (e) financial statements comply with the accounting standards;   | (h) any qualification, reservation or adverse remark relating to maintenance of accounts;                     |
| (c) whether the branch auditor's report has been sent to him and manner of dealing with that ;                  | (f) the observations or comments on matters which have any adverse effect on the functioning of the company; | (i) adequate internal financial controls system is in place and the operating effectiveness of such controls; |
| (j) such other matters prescribed in Rule 11 of the CAAR 2014 namely:-  |  |   |
| (i) disclosed the impact of pending litigations;  | (ii) provided for material foreseeable losses  | (iii) delay in transferring the amounts to IEPF Account   |

## Reporting under Companies (Auditor's Report) Order, 2016 (CARO, 2016)



**Applicability:** CARO specifically **exempts**, a banking company, an insurance company, a company licensed to operate under section 8 of the Companies Act; a One Person Company and a small company and a private limited company, not being a subsidiary or holding company of a public company, having a paid up capital and reserves and surplus not more than rupees one crore as on the balance sheet date and which does not have total borrowings exceeding rupees one crore from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Schedule III to the Companies Act, 2013 (including revenue from discontinuing operations) exceeding rupees ten crore during the financial year as per the financial statements.

### Matters To Be Included In The Auditor's Report

|   |  |   |
|---|--|---|
| Clause (i) (a) whether the company is maintaining proper records of fixed assets;   | b) whether these fixed assets are physically verified; whether any material discrepancies, if any, have been properly dealt with;  | (c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;   |
| Clause (ii) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies, if any have been properly dealt with;   |  |   |
| Clause (iii) whether the company has granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,   |  |   |
| (a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;  | (b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;   | (c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest; |
| Clause (iv) in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.   |  |   |
| Clause (v) in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of the Companies Act, 2013 in this regard and the rules have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not? |  |   |
| Clause (vi) whether maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.  |  |   |
| Clause (vii) (a) whether the company is regular in depositing undisputed statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;   | (b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. |   |
| Clause (viii) whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported.  |  |   |
| Clause (ix) whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;   |  |   |
| Clause (x) whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;   |  |   |
| Clause (xi) whether managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;   |  |   |
| Clause (xii) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;  |  |   |
| Clause (xiii) whether all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the F.S., as required by the applicable accounting standards;  |  |   |

# AUDITING AND ASSURANCE ||

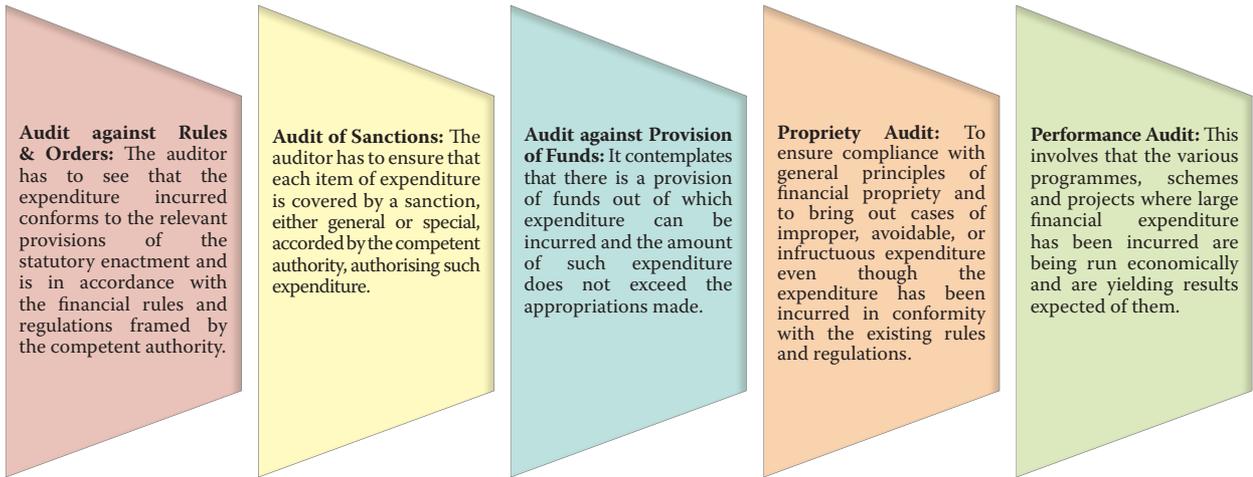
|   |
|---|
| Clause (xiv) whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance; |
| Clause (xv) whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of the Companies Act, 2013 have been complied with;  |
| Clause (xvi) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.   |

## CHAPTER 8 : COMPANY AUDIT - II

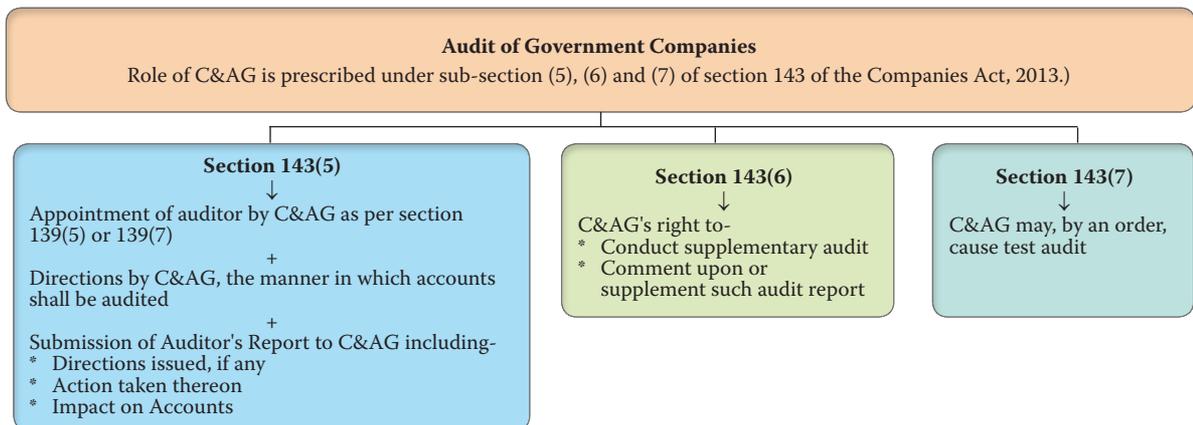
| Financial Statements as per section 2(40) of the Companies Act, 2013, includes  |   |  |  |   |   |   |  |  |   |
|---|---|--|--|---|---|---|--|--|---|
| a) a balance sheet as at the end of the financial year;   | (b) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year; | (c) cash flow statement for the financial year;  | (d) a statement of changes in equity, if applicable; and | (e) any explanatory note annexed to, or forming part of, any document referred above. |   |   |  |  |   |
| However, the financial statement, with respect to One Person Company, small company and dormant company, may not include the cash flow statement.   |   |  |  |   |   |   |  |  |   |
| Section 129 prescribes norms for financial statements which are as under:   |   |  |  |   |   |   |  |  |   |
| (i) Form of Financial statements [Section 129(1)]:The financial statements shall-   |   |  |  |   |   |   |  |  |   |
| <table border="1"> <tr> <td>(a) give a true and fair view of the state of affairs of the company or companies</td> </tr> <tr> <td>(b) comply with the accounting standards notified under section 133 and</td> </tr> <tr> <td>(c) be in the form or forms as may be provided for different class or classes of companies in Schedule III</td> </tr> </table>  |   |  |  |   | (a) give a true and fair view of the state of affairs of the company or companies | (b) comply with the accounting standards notified under section 133 and | (c) be in the form or forms as may be provided for different class or classes of companies in Schedule III |  |   |
| (a) give a true and fair view of the state of affairs of the company or companies   |   |  |  |   |   |   |  |  |   |
| (b) comply with the accounting standards notified under section 133 and   |   |  |  |   |   |   |  |  |   |
| (c) be in the form or forms as may be provided for different class or classes of companies in Schedule III  |   |  |  |   |   |   |  |  |   |
| (ii) <b>Consolidated Financial Statements:</b> According to Section 129(3), where a company has one or more subsidiaries (including associate company and joint venture), it shall, in addition to its own financial statements prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own.   |   |  |  |   |   |   |  |  |   |
| <b>Authentication of Financial Statements,</b> {Section 134(1)} shall be approved by the board of directors before they are signed on behalf of the board at least by the following-  |   |  |  |   |   |   |  |  |   |
| <table border="1"> <tr> <td>(a) The chairperson of the company where he is authorised by the Board; or</td> </tr> <tr> <td>(b) By two directors out of which one shall be managing director and</td> </tr> <tr> <td>(c) The Chief Executive Officer, if he is a director in the company,</td> </tr> <tr> <td>(d) The Chief Financial Officer, wherever he is appointed; and</td> </tr> <tr> <td>(e) The company secretary of the company, wherever he is appointed.</td> </tr> </table> |   |  |  |   | (a) The chairperson of the company where he is authorised by the Board; or        | (b) By two directors out of which one shall be managing director and    | (c) The Chief Executive Officer, if he is a director in the company,                                       | (d) The Chief Financial Officer, wherever he is appointed; and | (e) The company secretary of the company, wherever he is appointed. |
| (a) The chairperson of the company where he is authorised by the Board; or  |   |  |  |   |   |   |  |  |   |
| (b) By two directors out of which one shall be managing director and  |   |  |  |   |   |   |  |  |   |
| (c) The Chief Executive Officer, if he is a director in the company,  |   |  |  |   |   |   |  |  |   |
| (d) The Chief Financial Officer, wherever he is appointed; and  |   |  |  |   |   |   |  |  |   |
| (e) The company secretary of the company, wherever he is appointed.   |   |  |  |   |   |   |  |  |   |
| <b>Verification of the Constitution and Powers</b> - A company can function within the limits prescribed by the documents on the basis of which it has been registered. It is essential that the auditor, prior to starting the audit of a company, shall examine:  |   |  |  |   |   |   |  |  |   |
| The Memorandum of Association;  | The Articles of Association;  | Contracts with vendors and other persons for purchase of property, payment of commission, etc. |  |   |   |   |  |  |   |

## CHAPTER 9 : AUDIT OF DIFFERENT TYPE OF ENTITIES

**AUDIT OF GOVERNMENT EXPENDITURE** is one of the major components of government audit conducted by the office of C&AG. The basic standards set for audit of expenditure are to ensure that there is provision of funds authorised by competent authority fixing the limits within which expenditure can be incurred. Briefly, these standards are explained below:

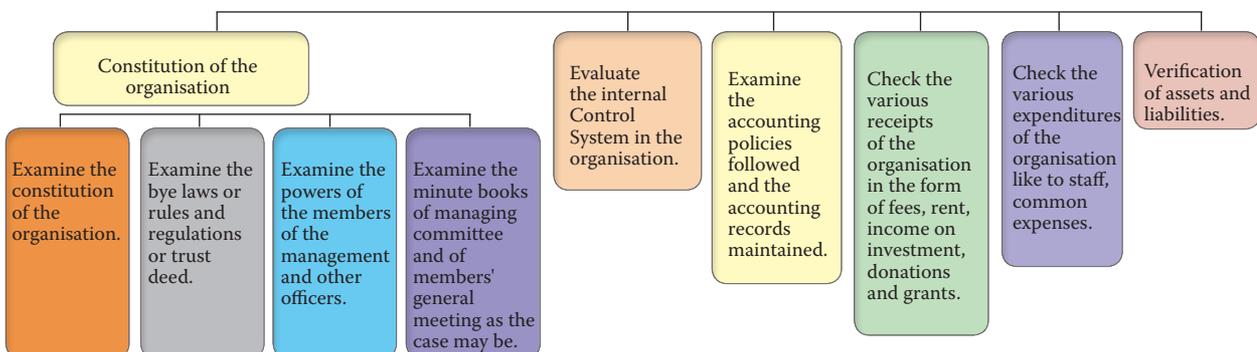


**Role of C&AG in the Audit of a Government company:**



**Audit of Different Entities**

(major points that must be kept in mind while performing the audit of Educational Institution, Charitable Institutions, Cinema, Hospital etc., are:)



# AUDITING AND ASSURANCE ||

## Special Points in Audit of a Partnership Firm:

Confirming that the letter of appointment signed by a partner duly authorised clearly states the nature and scope of audit contemplated by the partners, specially the limitation, if any, under which the auditor shall have to function.

Examine the partnership deed signed by all partners and its registration with the registrar of firms. Also ascertain from the partnership deed about capital contribution, profit sharing ratios, interest on capital contribution, powers and responsibilities of the partners, etc.

Studying the minute book, if any, maintained to record the policy decision taken by partners specially the minutes relating to authorisation of extraordinary and capital expenditure, raising of loans, purchase of assets, extraordinary contracts entered into and other such matters which are not of a routine nature.

Verifying that the business in which the partnership is engaged is authorised by the partnership agreement.

Examining whether books of account appear to be reasonable and are considered adequate in relation to the nature of the business of the partnership.

Verifying generally that the interest of no partner has suffered prejudicially by an activity engaged in by the partnership which, it was not authorised to do under the partnership deed or by any violation of a provision in the partnership agreement.

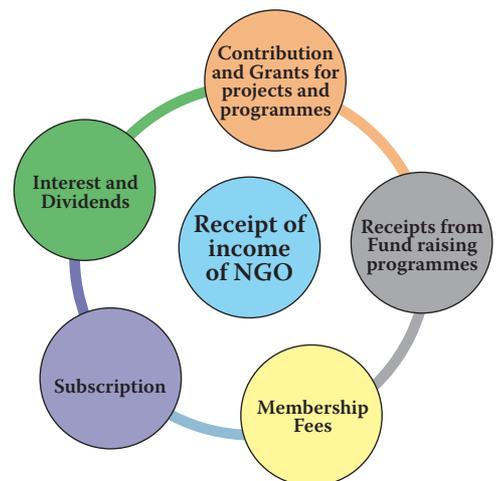
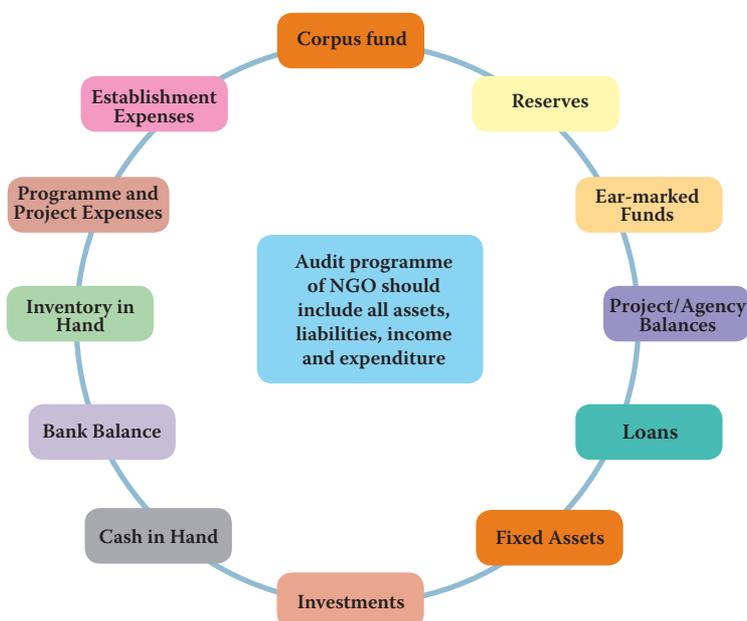
Confirming that a provision for the firm's tax payable by the partnership has been made in the accounts before arriving at the amount of profit divisible among the partners. Also see various requirements of legislations applicable to the partnership firm like Section 44AB of the Income-tax Act, 1961 have been complied with.

Verifying that the profits and losses have been divided among the partners in their agreed profit-sharing ratio.



While planning the **Audit of a Non-Governmental Organisation (NGO)**, the auditor may concentrate on the following-

- (i) Knowledge of the NGO's work
- (ii) Reviewing the legal form of the organisation
- (iii) Reviewing the NGO's Organisation chart, Manuals, Guidelines, etc
- (iv) Examine minutes of the Board/Managing Committee/Governing Body/Management
- (v) Study the accounting system, procedures, internal controls and internal checks



# Accounting

## Voluntary adoption of Integrated Reporting by Listed Entities

SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/10 February 6, 2017 has advised top 500 companies [to whom Business Responsibility Report ('BRR') have been mandated under Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR")], to adopt Integrated Reporting on a voluntary basis from the financial year 2017-18. The objective behind recommending voluntary adoption of Integrated Reporting is to improve disclosure standards. An integrated report aims to provide a concise communication about how an organisation's strategy, governance, performance and prospects create value over time so that interested stakeholders may make investment decisions accordingly.

The International Integrated Reporting Council ('IIRC') has prescribed Integrated Reporting Framework at following web link: <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

The Framework prescribes the Guiding Principles which underpin the preparation of an integrated report, specifies the content of the report and its presentation. These are as follows:

- **Strategic focus and future orientation:**  
An integrated report should provide insight into the organization's strategy and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on capital.
- **Connectivity of information:**  
An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.
- **Stakeholder relationships:**  
An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.

- **Materiality:**  
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.
- **Conciseness:**  
An integrated report should be concise.
- **Reliability and completeness:**  
An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.
- **Consistency and comparability:**  
The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.
- **Disclosure of various forms of capital:**  
IIRC has categorized following forms of capital to be disclosed to stakeholders to enable informed investment decision making as follows:
  - ✓ Financial capital
  - ✓ Manufactured capital
  - ✓ Intellectual capital
  - ✓ Human capital
  - ✓ Social and relationship capital
  - ✓ Natural capital.

The above information related to Integrated Reporting may be provided in the annual report separately or by incorporating in Management Discussion & Analysis or by preparing a separate annual report prepared as per IR framework.

In case the company has already covered the relevant information in any other report, it may provide appropriate reference to the same in its Integrated Report so as to avoid duplication of information.

The companies may also host the Integrated Report on their website and provide appropriate reference to the same in their Annual Report.

(Source: www.sebi.gov.in)

# FINANCE UPDATES

## Government planning tougher norms for Commodities Spot Market

The commodities spot market may also be integrated with the derivatives market to improve regulatory control. For more details please read at:

<http://www.livemint.com/Money/xhuRjgnb37tCGgcL1tr0bN/Govt-planning-tougher-norms-for-commodities-spot-market.html>

## SEBI may ease norms for investing in AIFs

A committee set up by India's stock market regulator, the Securities and Exchange Board of India (Sebi), to encourage investments in so-called alternative investment funds (AIF). For more details please read at:

<http://www.livemint.com/Companies/fyV7uOFzdPue52kkZwp0HK/Sebi-may-ease-AIF-regulations-for-startup-investments.html>

## Reforms rush: SEBI allows options trading in commodity market

SEBI has allowed options trading in commodity market. For more details please read at:

<http://www.thehindubusinessline.com/markets/reforms-rush-sebi-allows-options-trading-in-commodity-market/article9665866.ece>

## Sebi set to block P-Note route for NRIs to prevent laundering of black money

The regulator plans to put in place a clear bar on non-resident Indians (NRIs) and entities owned by them and resident Indians subscribing to participatory notes, a move aimed at preventing possible round-tripping or laundering of black money. For more details please read at:

<http://economictimes.indiatimes.com/markets/stocks/policy/sebi-set-to-block-p-note-route-for-nris-to-prevent-laundering-of-black-money/articleshow/58212711.cms>

## Tighter monitoring of IPO proceeds by small firms

To check any misuse of funds raised through IPOs, regulator Sebi plans to make it mandatory for all companies to appoint a monitoring agency to keep a tab on use of the capital raised through share sale. For more details please read at:

<http://timesofindia.indiatimes.com/business/india-business/sebi-wants-strict-monitoring-of-ipo-proceeds-by-small-firms/articleshow/58166870.cms>

## Commerce Ministry studying HR, legal issues to merge commodity boards

The commerce ministry is busy fixing HR and legal issues to clear the way for merger of commodity boards into an umbrella body to improve production and export of plantation crops like tea, coffee and spices. For more details please read at:

<http://timesofindia.indiatimes.com/business/india-business/commmin-studying-hr-legal-issues-to-merge-commodity-boards/articleshow/58626339.cms>

## GST to be examined for 10 marks in Paper 8: Indirect Tax Laws in November, 2017 Final Examination

Considering the significance of the upcoming GST regime and the recent developments towards its implementation, the Council of ICAI, at its 365th meeting, has decided that students appearing in November, 2017 final examination be also examined on "Overview of GST" for 10 marks in Paper 8: Indirect Tax Laws.

"Overview of GST" has been included in the syllabus of Final Paper 8: Indirect Tax Laws in the following manner:

- 10 marks on "Overview of GST" has been accommodated in Section B: Service Tax (which presently carries 50 marks) with simultaneous exclusion of certain topics from central excise and service tax:

The syllabus of Final Paper 8: Indirect Tax Laws after incorporating "Overview of GST" for 10 marks as also the exclusions from central excise and service tax are given in the BoS Announcement hosted under the "Students" tab at the ICAI website.

- Overview of GST will be tested in the examination in first compulsory question carrying 20 marks and only knowledge and comprehension based question will be asked from this topic. Thus, out of 20 marks allotted to the compulsory question, 10 marks will be allocated to Overview of GST and remaining 10 will be allocated to central excise and customs.
- "Overview of GST" will cover an introduction to GST laws in India and basic concepts relating to supply, composite and mixed supplies and charge of tax.

The Supplementary Study Paper on "Overview of GST" covering the content to be examined in November, 2017 final examination for 10 marks will be hosted on the ICAI website by the end of this month.

### Election to the Managing Committee of NICASA

The Annual General Meeting (AGM) of Members of the Northern India Chartered Accountants Students' Association (NICASA) will be held on Sunday, the 23<sup>rd</sup> July, 2017 at 10 A.M. at the auditorium of the Institute of Chartered Accountants of India, ICAI Bhawan, 52-53-54, Institutional Area, Vishwas Nagar, Shahdra, Near Karkardooma Courts, Delhi- 110032.

Elections to the Managing Committee of the Association for the year 2017-18 would be held from 11.00 A.M. to 4.00 P.M. on the same day. For details, students may visit: [www.w-nirc-icai.org](http://www.w-nirc-icai.org)

### Attention-ICAI-Campus (August-September, 2017) Aspirants

Completion of GMCS is mandatory for taking part in ICAI Campus Placement Programme, meant for Newly Qualified CAs. Accordingly, to cater to the needs of the Students appearing for the Final Examination in May 2017 but are yet to complete GMCS Course, adequate arrangement has been made by the Board of Studies. Aspirants for August-September, 2017 Campus are hereby advised to enrol (through Link- [www.icaionlineregistration.org](http://www.icaionlineregistration.org) or may feel free to talk to Dr. Mitali Pathak at 0120- 3045915) for GMCS at any Centre convenient to them and get it completed before the Interview Process begins in the middle of August, 2017.

**Committee for Professional Accountants in  
Business & Industry  
(CPABI) of ICAI**

### Attention: Final Course students

#### **Paper 4: Corporate and Allied Laws Applicability of Insolvency and Bankruptcy Code, 2016 for November 2017, Examinations**

The Council has approved the inclusion of "Overview of the Insolvency and Bankruptcy Code, 2016" for 10 Marks for November 2017 examinations and onwards.

With the addition of the Insolvency and Bankruptcy Code, 2016, marks allocation will be as under:

Company Law - 60 Marks

Insolvency and Bankruptcy Code, 2016 - 10 Marks

Allied Laws - 30 Marks

For the benefit of our students, the Board of Studies will be releasing a reading material on the aforementioned Insolvency and Bankruptcy Code, 2016 which will be hosted on the website by the end of this month.

Separate mails and SMS will be sent to the students when the material will be uploaded.

**Director, Board of Studies**

## CA Students Conference - JAIPUR

10<sup>th</sup> & 11<sup>th</sup> JUNE, 2017

Birla Auditorium,  
Jaipur

**Organized by:** Board of Studies, ICAI

**Hosted by:** Jaipur Branch of CIRC of ICAI & CICASA Jaipur Branch

**THEME: NURTURING VALUES & INTEGRITY- ATTAINING EXCELLENCE IN PROFESSIONAL PURSUITS.**

### DAY-1

|                      |  |
|----------------------|--|
| 9.30 am to 10.30 am  | <b>Inaugural Session:</b><br><b>Chief Guest: Smt. Kiran Maheshwari, Minister of Higher Education, Govt. of Rajasthan*</b>                      |
| 10.30 am to 11.30 am | <b>Special Session: I :Topic: BOS Presentation and Interaction with Board of Studies</b>   |
| 11.30 am to 1.30 pm  | <b>Special Session:II: Topic: Balancing between CA professional &amp; Life; Ethical Values in the Profession; New Avenues in CA Profession</b> |
| 2.30 pm to 4.00 pm   | <b>Technical Session: I: Topic: GST</b>  |
| 4.00 pm to 5.30 pm   | <b>Technical Session: II:</b><br><b>Topic: Personality Development &amp; Stress Management</b>   |

### DAY-2

|                        |  |
|------------------------|--|
| 10.00 am to 12.00 noon | <b>Technical Session : IV:Topic: Income Tax</b>  |
| 12.00 Noon to 1.00 pm  | <b>Special Session : III:Topic: How to prepare for CA Exams</b>                        |
| 2.00 pm to 4.00 pm     | <b>Technical Session : III:Topic: Conceptual Understanding of Accounting Standards</b> |
| 4.00 pm to 5.30 pm     | <b>Technical Session :V:Topic: Motivation: Session Speaker</b>                         |

#### • Yet to receive Confirmation

**Students Eligible to attend the Students Conference:** Students who have registered as IPCC/Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences)

|                         |  |  |
|-------------------------|--|--|
| <b>Registration Fee</b> | ₹ 500/- per student  | For Accommodation details contact the branch |
| <b>Payment Mode</b>     | <b>Cash/DD/Cheque</b> to be drawn in favor of <b>Jaipur Branch of CIRC of ICAI</b> , payable at Jaipur; Email: <a href="mailto:jaipur@icai.in">jaipur@icai.in</a> ; Ph.: 0141-3044200 / 3044214 / 3044216 / 9672023888 or students may register online at <a href="http://www.jaipur-icai.org/Payments/page">www.jaipur-icai.org/Payments/page</a> |  |

**CA. Atul Kumar Gupta**, Chairman, BoS; **CA. Mangesh Pandurang Kinare**, Vice-Chairman, BoS; **CA. Shyam Lal Agarwal & CA. Prakash Sharma**, Central Council Members, Conference Director; **CA. Gautam Sharma, CA. Pramod Kumar Boob, CA. Rohit Ruwatia Agarwal**, Regional Council Member, Conference Coordinator; **CA. Abhishek Sharma**, Chairman, Jaipur Branch & **CA. Dinesh Kumar Jain**, Chairman, Jaipur Branch of CICASA, Conference Coordinators.

## GMCS Weekend

Before applying for Membership of the Institute a student has to undergo GMCS course which is a mandatory requirement.

Many of the students who have taken up jobs/would be taking up jobs after qualifying CA Course could not complete GMCS and have not applied for admission to the membership of the Institute.

In order to mitigate the hardship and to enable the students to enrol as Member of the Institute, the Institute organizes GMCS Course for such students during weekends (Saturdays/Sundays). The rules and regulations for weekend batches are same as for regular batches.

Students are advised to register in the portal [www.icaionlineregistration.org](http://www.icaionlineregistration.org) or contact the nearest Regional Council/Branch for registration in GMCS Course (Weekend) and undergo the GMCS course.

**Director, BOS**

## CA Students Conference - VIJAYAWADA

16<sup>th</sup> AND 17<sup>th</sup> JUNE, 2017

**Organized by:** Board of Studies, ICAI

**Hosted by:** Vijayawada Branch of SIRC of ICAI & SICASA Vijayawada Branch

**THEME:** NURTURING VALUES & INTEGRITY- ATTAINING EXCELLENCE IN PROFESSIONAL PURSUITS.

'N' Convention Centre,  
Vidhyadharapuram, Vijayawada

### DAY-1

|                    |  |
|--------------------|--|
| 10.00 am -10.30 am | <b>Inaugural Session</b>   |
| 10.30 am-12.15 pm  | <b>Technical Session: I : Auditing</b><br><b>Topic:</b> Reporting on Frauds, Rotation of Auditors, Rights, Duties and Liabilities of Auditors, Internal Financial Controls, Special Audit Techniques, Revised AAS610   |
| 12.15 pm- 01.00 pm | <b>Special Session: I: Interaction and Open House with Board of Studies</b>  |
| 01.00 pm-01.45 pm  | <b>Special Session: II: Topic: Role of Effective Study in Successful Career Planning – Future of CA Profession</b>   |
| 02.30 pm- 04.00 pm | <b>Technical Session: II: Direct Taxes</b><br><b>TOPIC:</b> ICDS, Transactions u/s 269ST, Transfer Pricing-State Harbor Rules, Filing of returns u/s 139 of Income Tax Act,1961, Penalties- Recent Amendments, Deemed incomes with respect to Immovable Properties under Income Tax Act,1961 |
| 04.00 pm- 05.00 pm | <b>Special Session: III: Topic: Balancing Articleship and Exams –A Professional Approach</b>   |

### DAY-2

|                    |   |
|--------------------|---|
| 10.00 am-11.00 am  | <b>Special Session: IV: Topic: Role of Chartered Accountants in Changing Economy</b>  |
| 11.00 am-12.30 pm  | <b>Technical Session: III: Indirect Taxes</b><br><b>Topic:</b> Reverse Charge Mechanism, Service Tax-Recent Amendments, Movement of Goods under GST Act, Works Contract, Input Tax Credit under GST Act, Registration and Filing of Forms under GST Act   |
| 12.30 pm- 01.45 pm | <b>Technical Session: IV: Company Law</b><br><b>Topic:</b> Various Exits of Directors, Prospectus-Misstatements, Types of Voting in General Meetings, Related party transactions, National company law tribunal national company law Appellate Tribunal, Revised AS 10 Property Plant & Equipment |
| 02.30 pm - 04.00pm | <b>Technical Session: V: General Topics :</b> Non Cash Transactions, Digitalization – Role of Auditors, MS Excel-Analytical Tool, Corporate Social Responsibility, Startup Companies, Cyber Frauds  |

**Students Eligible to attend the Students Conference:** Students who have registered as IPCC/Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences)

|                         |  |   |
|-------------------------|--|---|
| <b>Registration Fee</b> | ₹ 500/- per student  | <b>Accommodation (if required)</b> @ ₹ 1,500 per student for 2 days |
| <b>Payment Mode</b>     | <b>Cash/DD/Cheque</b> to be drawn in favor of <b>Vijayawada branch of SIRC of ICAI</b> , payable at Vijayawada, Email: <a href="mailto:sicasavja@gmail.com">sicasavja@gmail.com</a> , Ph-0866-2576666/ 2578507/ 9848698774, 9666809806, 9248128378 |   |

**CA. Atul Kumar Gupta**, Chairman, BoS; **CA. Mangesh Pandurang Kinare**, Vice-Chairman, BoS; **CA. M. Devaraja Reddy**, Central Council Member, Conference Director; **CA. Rama Mohan Reddy V.**, Chairman, Vijayawada Branch & **CA. Siva Prasad A. S. R. S.**, Chairman, Vijayawada Branch of SICASA, Conference Coordinators.

## CA Students Conference – COIMBATORE

24<sup>th</sup> & 25<sup>th</sup> JUNE, 2017

**Organized by:** Board of Studies, ICAI

**Hosted by:** Coimbatore Branch of SIRC of ICAI and SICASA Coimbatore Branch

**THEME: NURTURING VALUES & INTEGRITY- ATTAINING EXCELLENCE IN PROFESSIONAL PURSUITS.**

GRD Auditorium, PSG College of Arts & Science, Coimbatore

### DAY-1

|                      |  |
|----------------------|--|
| 10.00 am to 10.30 am | <b>Inaugural Session</b>   |
| 10.30 am to 12.15 pm | <b>Technical Session:I : Direct Taxes</b><br><b>Topics:</b> Tax Deducted at Source,Capital Gains,Business Income, Filing of Return of Income                       |
| 12.30 pm to 1.15 pm  | <b>Special Session I: Interaction and Open House with Board of Studies</b>   |
| 2.00 pm to 2.45 pm   | <b>Special Session II: Motivational Session</b><br><b>Topic:</b> "How CA Profession help him to reach on Self-Actualization stage" by Maslow Need Hierarchy Theory |
| 2.45 pm to 4.15 pm   | <b>Technical Session II: Company Law</b><br><b>Topics:</b> Acceptance of deposits, Related party transactions & loans from directors, CARO, Director's Report      |
| 4.30 pm to 5.15 pm   | <b>Special Session III: Importance of Article Training</b>   |

### DAY-2

|                       |  |
|-----------------------|--|
| 10.00 am to 11.45 am  | <b>Technical Session: III: Accounting Standards</b><br><b>Topics:</b> AS 9, AS 7, AS 12; AS 2, AS 10; AS 1, AS 3, AS 17; AS 15, AS 16, AS 22 |
| 12.00 noon to 1.00 pm | <b>Special Session: IV: Motivational Session: Yes I Can</b>  |
| 2.00 pm to 3.45pm     | <b>Technical Session: IV: GST</b><br><b>Topics:</b> Overview on GST, Scope of Supply, Valuation and Composition Scheme, Input Tax Credit     |

**Students Eligible to attend the Students Conference:** Students who have registered as IPCC/Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences)

|                          |   |  |
|--------------------------|---|--|
| <b>Registration fees</b> | ₹ 500/- per student   | <b>Accommodation (if required)</b> @ ₹ 800 per student |
| <b>Payment Mode</b>      | Cash/DD/Cheque to be drawn in favor of <b>Coimbatore Branch of SIRC of ICAI</b> , payable at Coimbatore; Email <b>coimbatore@icai.org</b> ; Ph: 0422-4270056/9443536779 |  |

**CA. Atul Kumar Gupta**, Chairman; BoS; **CA. Mangesh Pandurang Kinare**, Vice-Chairman, BoS; **CA. Babu Abraham Kallivayalil**, Central Council Member, Conference Director; **CA. Saravanan. B**, Chairman, Coimbatore Branch & **CA. S. Prabhu**, Chairman, Coimbatore Branch of SICASA, Conference Coordinators.

# National Conference for CA Students -KOLKATA

14<sup>th</sup> & 15<sup>th</sup> JULY, 2017

Kala Mandir, Kolkata

**Organized by:** Board of Studies, ICAI

**Hosted by:** EICASA & EIRC of ICAI

**THEME:** NURTURING VALUES & INTEGRITY- ATTAINING EXCELLENCE IN PROFESSIONAL PURSUITS.

## DAY-1

|                        |  |
|------------------------|--|
| 9.00 am to 10.00 am    | <b>Registration</b>  |
| 10.00 am to 10.30 am   | <b>Inaugural Session</b>   |
| 10.30 am to 12.00 noon | <b>Technical Session: I: Direct Taxes</b><br><b>Topics:</b> Income Computation and disclosure Standards & its impact, Regulations to curb Black Money & benami transactions, Proposals in direct taxes in Finance Act, 2017            |
| 12.00 noon to 1.00 pm  | <b>Special Session: I: Interaction and Open House with Board of Studies</b>  |
| 2.00 pm to 3.30 pm     | <b>Special Session:II: Motivational Session:</b> Success is born out of action (spark the light ignite the dream)and <b>Self-motivation to succeed-</b> Get Set Go- A journey towards achievement of goal &3D (dream, desire, do)- Win |
| 3.45 pm to 5.15 pm     | <b>Technical Session: II: Corporate Law</b><br><b>Topics:</b> Compliance issues relating to business restructuring/merger & acquisitions; Compromises & Arrangements on Real Estate Law; Insolvency & Bankruptcy Code, 2016            |

## DAY-2

|                      |   |
|----------------------|---|
| 10.00 am to 11.30 am | <b>Technical Session: III: GST – New Regime to Indirect Taxation in India, a path breaking reform</b><br><b>Topics:</b> GST: An emerging opportunity for CA profession; GST- Law Model Vs. Existing Indirect Taxes; Effect of GST in Accounting Evolution, emergence and impact of GST on Indian Tax system & Economy |
| 11.30 am to 1.00 pm  | <b>Technical Session: IV: Management &amp; Entrepreneurship</b><br><b>Topics:</b> Think out of the box- A need of the hour; Unlocking the potentials, creating values and facing challenges; CA - A Right Career choice--opportunities, risks & challenges  |
| 2.00 pm to 4:00 pm   | <b>Special Session: III: Motivational Session:Topics: Session on National Building; Ethical Values in the profession.</b>   |
| 4:15 pm to 5:45 pm   | <b>Technical Session : V: Indian Economy &amp; Current Affairs</b><br><b>Topics:</b> Plastic money – Is Rural India ready for it?; Role of Niti Aayog in digitization in Indian Economy; Economic effect of Make in India & Role of CAs in public administration.   |

**Students Eligible to attend the Students Conference:** Students who have registered as IPCC/Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (CPT Students and Students who have completed one year beyond their Articleship training will not be eligible to register for these Conferences)

|                         |  |  |
|-------------------------|--|--|
| <b>Registration Fee</b> | ₹ 500/- per student  | <b>Accommodation (if required)</b> @ ₹ 500 per student per day over and above the Delegate Fees. (Outstation Students are required to register within 20 <sup>th</sup> June) |
| <b>Payment Mode</b>     | <b>Cash/DD</b> to be drawn in favor of "ICAI-EIRC", payable at Kolkata, Mail-id: eicasa.kolkata@icai.in; Ph: 033-3021-1138/136 Or Students may register online at <a href="http://www.eirc-icai.org">www.eirc-icai.org</a> |  |

**CA. Atul Kumar Gupta**, Chairman, BoS; **CA. Mangesh Pandurang Kinare**, Vice-Chairman, BoS; **CA. Sushil Kumar Goyal**, CCM, Conference Director; **CA. Manish Goyal**, Chairman, EIRC & **CA. Sonu Jain**, Chairperson, EICASA, Conference Coordinators.

# ANNOUNCEMENT

## Residential Programme on Professional Skills Development: Centre of Excellence, Hyderabad

The Board of Studies is pleased to announce the next batch of ICAI Four Weeks Residential Programme as below:

| Venue                                 | Participant | Fees        | Date   | Online Registration   |
|---------------------------------------|-------------|-------------|--|---|
| Centre of Excellence (CoE), Hyderabad | Women       | ₹ 60,000/-* | 29 <sup>th</sup> June, 2017 to 26 <sup>th</sup> July, 2017 | <a href="http://www.icaai.org/new_category.html?c_id=345">http://www.icaai.org/new_category.html?c_id=345</a> |

### Salient Features of the Programme:

- ❖ Emphasis on Soft Skills, Communication Skills and Personality Development.
- ❖ Exemption from payment of Fees to Top 10 Rank holders.
- ❖ Part of Articleship Training
- ❖ No need for Separate GMCS/GMCS II
- ❖ Special Session on Group Discussion & Interview.
- ❖ Preparation of Project and Presentation Skills.
- ❖ Building Team Spirit.

**For online registration, upcoming batches and eligibility criteria for joining the programme etc., visit [www.icaai.org](http://www.icaai.org). For any query, you can also call at 0120-3045935.**

**Director, Board of Studies**

## Specialized Webcasts for CA students

The Board of Studies is organizing Specialized Webcasts for the students pursuing Chartered Accountancy course, on the below mentioned topics in the month of June, 2017 as per the below schedule:

| Sr. | Date                    | Timings           | Topic  | Link for Webcasts   |
|-----|-------------------------|-------------------|--|---|
| 1   | Thursday, June 15, 2017 | 10 a.m. – 12 p.m. | Concurrent Audit in Banks in Present Scenario                        | <a href="http://estv.in/icaai/15062017/">http://estv.in/icaai/15062017/</a> |
| 2   | Tuesday, June 27, 2017  | 10 a.m. – 12 p.m. | New Syllabus of ICAI – for Foundation, Intermediate and Final levels | <a href="http://estv.in/icaai/27062017/">http://estv.in/icaai/27062017/</a> |

Students are advised to view the webcasts and also attend the One-Day Seminars being organized by the Regional Councils and Branches after these webcasts on the slated topic. Students may take a note of the schedule to reap maximum benefits.

With Best Wishes,  
Chairman, Board of Studies

&

Vice Chairman, Board of Studies

## Announcement

Students are hereby informed that the Appropriate Authority has decided to increase fee of Four Weeks Residential Programme organised by Board of Studies at Centre of Excellence, Hyderabad from ₹40,000/- to ₹60,000/- from next batch onwards (commencing from 29<sup>th</sup> June, 2017).

**Director, Board of Studies**

## Attend CA Students Conferences across the Country

**The Board of Studies has planned the following Conferences for CA Students as on date for June-July, 2017-2018**

| Sl. No. | Regional Council/ Branch | Nomenclature of the Programme | Approved Dates   | Contact Details   |
|---------|--------------------------|-------------------------------|------------------|---|
| 1.      | Jaipur                   | CA Students Conference        | 10-11 June, 2017 | Jaipur Branch of CIRC of ICAI, Ph.: 0141-3044200 / 214 / 216 / 9672023888, Email: jaipur@icai.in  |
| 2.      | Vijayawada               | CA Students Conference        | 16-17 June, 2017 | Vijayawada Branch of SIRC of ICAI, Ph.: -0866-2576666 / 2578507/ 9848698774/ 9666809806/ 9248128378, Email: sicasavja@gmail.com           |
| 3.      | Coimbatore               | CA Students Conference        | 24-25 June, 2017 | Coimbatore Branch of SIRC of ICAI, Ph.: 0422-4270056/ 9443536779; Email: coimbatore@icai.org  |
| 4.      | Salem                    | CA Students Conference        | 8-9 July, 2017   | Salem Branch of SIRC of ICAI, Ph.: 427-2318813/2316638, Email: salem@icai.org   |
| 5.      | Kolkata                  | National Conference           | 14-15 July, 2017 | Eastern Regional Office of the ICAI, Ph.: 033-30211138 / 136/8100996301/8296404877/ 7890930867/ 9804493743, Email: eicasa.kolkata@icai.in |
| 6.      | Vadodara                 | CA Students Conference        | 14-15 July, 2017 | Baroda Branch of WIRC of ICAI, Ph.: 9998028737/ 9033002613/ 9428767233, Email: wicasa.baroda@gmail.com                                    |
| 7.      | Faridabad                | CA Students Conference        | 15-16 July, 2017 | Faridabad Branch of NIRC of ICAI, Ph.: 129-2264343, 2223343, 9811086282, Email: faridabad@icai.org, arvindgupta897@yahoo.com              |

### Students Eligible to attend the CA Student Conference:

- 1) Students who have registered as IPCC/Intermediate Students – either after passing CPT or through Direct Entry route.
- 2) Students who are pursuing their Article ship Training.
- 3) Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training.

(Students who have merely registered as CPT Students and Students who have completed one year beyond their Article ship training will not be eligible to register for these Conferences)

It may however be noted that during April to March, the students can be Paper Presenters for max 2 Students Conferences. Best paper presenters (overall category) of National Conference can be permitted to present technical papers in International CA Students Conference where the limit of two programmes per year will not be applicable.

## CROSSWORD SOLUTION – MAY 2017

|                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                 |                 |                 |                 |                 | <sup>1</sup> B  | A               | <sup>2</sup> S  | I               | <sup>3</sup> C  |                 | <sup>4</sup> A  | N               |
|                 | <sup>5</sup> F  |                 |                 | <sup>6</sup> B  | O               | O               | K               |                 | <sup>7</sup> A  | K               | A               |                 |
| <sup>8</sup> C  | L               |                 | <sup>9</sup> A  | P               | T               |                 | <sup>10</sup> I | D               | L               | E               | D               |                 |
| <sup>11</sup> R | E               | <sup>12</sup> B | O               | O               | T               |                 | M               | E               | L               |                 | H               | <sup>13</sup> A |
| <sup>14</sup> E | X               | I               | T               |                 | <sup>15</sup> L | <sup>16</sup> I | M               | M               |                 | <sup>17</sup> S | A               | N               |
| <sup>18</sup> D | I               | S               | C               | <sup>19</sup> R | E               | T               | I               | O               | <sup>20</sup> N | A               | R               | Y               |
| I               | B               |                 |                 | <sup>21</sup> A | N               | O               | N               |                 | I               | G               |                 |                 |
| T               | L               |                 | <sup>22</sup> A | P               | E               |                 | <sup>23</sup> G | <sup>24</sup> A | L               | A               |                 | <sup>25</sup> F |
| <sup>26</sup> E | E               | <sup>27</sup> L |                 | <sup>28</sup> T | C               | <sup>29</sup> S |                 | I               |                 |                 | <sup>30</sup> O | O               |
| D               |                 | <sup>31</sup> V | <sup>32</sup> I |                 | <sup>33</sup> K | U               | <sup>34</sup> I | D               |                 | <sup>35</sup> D | I               | U               |
|                 | <sup>36</sup> S | I               | X               |                 | <sup>37</sup> S | E               | V               | E               | N               |                 | L               | R               |

**CROSSWORD - JUNE 2017**

|    |    |    |    |    |    |    |    |    |    |    |
|----|----|----|----|----|----|----|----|----|----|----|
| 1  | 2  | 3  |    |    | 4  | 5  | 6  |    |    | 7  |
| 8  |    |    |    | 9  |    |    |    |    | 10 |    |
| 11 |    |    | 12 |    |    | 13 |    |    |    |    |
|    |    |    | 14 |    | 15 |    |    |    | 16 |    |
|    |    | 17 |    |    |    |    |    | 18 |    |    |
| 19 |    |    | 20 |    | 21 |    | 22 |    |    |    |
| 23 | 24 |    |    |    | 25 |    |    |    |    | 26 |
| 27 |    |    |    |    |    |    | 28 | 29 |    |    |
| 30 |    |    |    |    |    | 31 |    | 32 | 33 |    |
|    | 34 |    |    |    | 35 |    |    | 36 |    | 37 |
| 38 |    | 39 |    | 40 |    |    |    |    |    |    |
| 41 |    |    |    | 42 |    |    |    |    | 43 |    |
| 44 |    |    | 45 |    |    |    |    |    |    |    |

12. \_\_\_\_ department deals with people management, recruitment and defining organisation policies among other things.
15. Make changes
17. Term describing rapid and extreme fluctuations in the price of a stock or a commodity
19. \_\_\_\_ protocol is used to send e – mail.
20. A narrow strip of semi-rigid material worn underfoot to glide over snow.
22. Online cab aggregator in India.
24. Angered
26. US coin worth 10 cents of a dollar.
29. Copy or imitate
31. Image or picture
33. \_\_\_\_ is usually an informal document acknowledging debt.
35. Come to an end
38. \_\_\_\_ allows user to read and write via computers.
43. Used to denote the number of years since the birth of Jesus Christ.

**ACROSS**

1. A scheme started under the Indian Ministry of Health and Family Welfare in 1954 with the objective of providing comprehensive medical care facilities to Central Government employees, pensioners and their dependents.
4. A method of learning.
8. A wizened old woman
9. Unlade
11. A stock exchange categorization of the top 100 most actively traded shares with a large capitalization value
13. Repeat
14. Respond
16. An open source instant messaging and chat client program written by AOL.
18. \_\_\_\_ Act is the exact text of a particular enactment, as it was passed by the legislature.
21. An electronic version of a printed book which can be read on a computer or a specifically designed handheld device
23. Operation Flood is related to ----.
25. Goods which are chargeable to \_\_\_\_ rate of duty are exempted goods
26. A type of allowance
27. The regulator of the telecommunications sector in India.
28. A sequence of numbers such that the difference between the consecutive terms is constant.
30. Favourite
32. Objective
34. Dull, dark
36. The amount of net income returned as a percentage of shareholders equities. (in plural)
39. Game of chance
41. Things that cause sorrow or distress
42. A short sentence or phrase chosen as encapsulating the beliefs or ideals of an individual, family, or institution
- 43 An Article
44. A pronoun
45. For \_\_\_\_ goods, the conversion in value shall be done with reference to the rate of exchange prevalent on the date of filing bill of entry under section 46.

**DOWN**

1. \_\_\_\_ are the electronic forum where users can visit and exchange views and opinion about the variety of issues.
2. Difference between actual price of a transaction by a broker and the price quoted to the client.
3. An international scientific research project with the goal of determining the sequence of nucleotide base pairs that make up human DNA.
5. An intergovernmental organization of 13 nations relating to oil prices and other issues.
6. **Diplomatic skill.**
7. Largest key on the keyboard .
9. One of major trade partners of India.
10. \_\_\_\_ Mahindra :an Indian private sector bank in India.

If undelivered, please return to: The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110104