Skill-wise and Section-wise weightage of marks

November 2019 Examination

Final Course Paper 3: Advanced Auditing and Professional Ethics					
Sections	**Weightage**	**Content Area**	**Level I**	**Level II**	**Level III**
			Comprehension & Knowledge	**Analysis & Application**	**Evaluation & Synthesis**
	75%-125%		**20%-35%**	**45%-70%**	**10%-20%**
I	**25%-40%**	**1. Auditing Standards, Statements and Guidance Notes** Auditing and Assurance Standards (AASs); Statements and Guidance Notes on Auditing issued by the ICAI; Significant differences between Auditing and Assurance Standards and International Standards on Auditing.			
		2. Audit strategy, planning and programming: Planning the flow of audit work; audit strategy, planning programme and importance of supervision: review of audit notes and working papers; drafting of reports; principal's ultimate responsibility; extent of delegation; control over quality of audit work; reliance on the work of other auditor, internal auditor or an expert.			
		3. Risk Assessment and Internal Control: • Evaluation of internal control procedures; techniques including questionnaire, flowchart; internal			

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		audit and external audit, coordination between the two.			
		18. Salient features of Sarbanes – Oxley Act, 2002 with special reference to reporting on internal control.			
		4. Audit under computerized information system (CIS) environment Special aspects of CIS Audit Environment, need for review of internal control especially procedure controls and facility controls. Approach to audit in CIS Environment, use of computers for internal and management audit purposes: audit tools, test packs, computerized audit programmes; Special Aspects in Audit of E-Commerce Transaction.			
		5. Special audit techniques (a) Selective verification; statistical sampling: Special audit procedures; physical verification of assets, direct confirmation of debtors and creditors (b) Analytical review procedures (c) Risk-based auditing.			
		8. Audit Reports: Audit reports; Qualifications, notes on accounts, distinction between notes and qualifications, detailed observations by the statutory auditor to the management vis-a-vis obligations of reporting to the members.			
II	**15%-20%**	**6. Audit of Limited Companies:** Relevant provisions under the Companies Act, 2013 relating to Audit and Auditors and Rules made thereunder; Audit of branches; joint			

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		audits; Dividends and divisible profits-financial, legal, and policy considerations. Rights, duties of auditors.			
		7. Liabilities of Auditors: Professional negligence; Civil liabilities; Criminal liabilities; Liabilities under different statutes - for example Income Tax Act, Companies Act.			
		9. Audit Committee and Corporate Governance			
		10. Audit of Consolidated Financial Statements: Provisions under the Companies Act, 2013 in respect of Accounts of Companies and Rules made thereunder; Audit of Consolidated Financial Statements- responsibility of parent company, auditor of the consolidated financial statements; audit considerations- permanent consolidation, current period consolidation; reporting.			
		Provisions under the Companies Act, 2013 in respect of Accounts of Companies and Rules made thereunder. Audit of Consolidated Financial Statements, Audit Reports and Certificates for Special Purpose engagements; Certificates under the Payment of Bonus Act, import/export control authorities, etc.; Specific services to non-audit clients; Certificate on Corporate Governance.			
III	**15%-35%**	**11. Special features of audit of Banks, Insurance Co-operative Societies & Non-Banking Financial Companies**			
		12. Audit under Fiscal Laws:			

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		Audit under Fiscal Laws, viz, Direct and Indirect Tax Laws.			
		13. Cost Audit			
IV	**10%-15%**	**14.** Special features in audit of public sector companies. Directions of Comptroller and Auditor General of India to statutory auditors; Concepts of propriety and efficiency audit.			
		15. Internal Audit, Management and Operational Audit: Nature and purpose, organisation, audit programme, behavioural problems; Internal Audit Standards issued by the ICAI; Specific areas of management and operational audit involving review of internal control, purchasing operations, manufacturing operations, selling and distribution, personnel policies, systems and procedures. Aspects relating to concurrent audit.			
		16. Investigation and Due Diligence			
		17. Concept of Peer Review			
V	**10%-15%**	**19. Professional Ethics:** Code of Ethics with special reference to the relevant provisions of the Chartered Accountants Act, 1949 and the Regulations thereunder.			

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