CA Final Audit Fastrack AI Batch

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Magnet CA

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CA Final Audit Fastrack Index

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Lecture 1

Overview

The lecture primarily focuses on the subject of Advanced Auditing Assurance, emphasizing the importance of professional ethics and the liabilities of auditors. It is structured into three main parts: Part A covers professional ethics, Part B discusses engagement and quality control standards, and Part C addresses various special audits. The purpose of the lecture is to provide a comprehensive overview of the auditing syllabus, guiding students on how to effectively approach their studies, particularly in preparation for examinations

Timestamps

1. Introduction to the Course
   Timestamp: 00:00:13
   Aarti Madam welcomes students to the CA Final Auditing Marathon, emphasizing the importance of the subject in the CA curriculum.

2. Target Audience
   Timestamp: 00:00:57
   The course is designed for both students who are new to auditing and those who need a revision, providing a structured approach to studying.

3. Course Structure
   Timestamp: 00:09:40
   The syllabus is divided into three parts: professional ethics, engagement and quality control standards, and other chapters covering special audits.

4. Module Overview
   Timestamp: 00:09:49
   Module 1 includes chapters 1 to 11 focusing on 46 engagement and quality control standards, while Module 2 covers chapters 12 to 19, which include various special audits.

5. Professional Ethics
   Timestamp: 00:10:48
   Chapter 19 on professional ethics is highlighted as a crucial topic, often scoring around 15 marks in exams, making it a significant focus for students.

6. Engagement and Quality Control Standards
   Timestamp: 00:06:30
   There are 46 standards, including those on auditing, review engagements, assurance engagements, and quality control.

7. Importance of Standards
   Timestamp: 00:08:00
   Aarti Madam notes that certain standards, such as SA240 (fraud) and SA570 (going concern), are particularly important for exam preparation.

8. Exam Weightage
   Timestamp: 00:13:10

The expected weightage for professional ethics is around 15 marks, while engagement standards typically account for about 50 marks in exams.

9. Content of the Book
Timestamp: 00:18:09
The course material consists of a comprehensive book with 700 pages, including 859 questions and answers, which serves as a study, revision, and question bank.

10. Chapter Breakdown
Timestamp: 00:20:12
The book is structured with a focus on integrating theory with practical questions, allowing students to test their understanding.

11. Special Audits
Timestamp: 00:10:48
Module 2 includes discussions on various types of audits such as digital auditing, group audits, bank audits, and forensic accounting.

12. Learning Approach
Timestamp: 00:12:00
Aarti Madam encourages students to approach their studies based on their strengths and weaknesses, suggesting they start with challenging areas.

13. Ethics as a Game Changer
Timestamp: 00:05:10
Aarti Madam emphasizes that ethics is a game-changing chapter in the audit syllabus, often leading to higher scores.

14. Practical Application
Timestamp: 00:24:32
The lecture includes references to practical questions and case studies, enhancing the learning experience by applying theoretical knowledge.

15. Final Remarks
Timestamp: 00:25:07
Aarti Madam concludes with encouragement, reminding students of the unpredictability of exam questions and the importance of thorough preparation.

Lecture 2

Overview

The lecture primarily focuses on the ethical requirements and independence of Chartered Accountants (CAs), emphasizing the importance of integrity, objectivity, professional competence, confidentiality, and professional behavior. It outlines the potential threats to a CA's independence, categorized into five types: familiarity threat, self-interest threat, self-review threat, advocacy threat, and intimidation threat. The purpose of the lecture is to educate CAs on identifying, evaluating, and addressing these threats to maintain ethical standards and uphold public trust in their professional judgments. Additionally, it discusses the significance of compliance with the Code of Ethics and the disciplinary mechanisms in place for misconduct.

Timestamps

1. **Introduction to Ethical Requirements**
   Timestamp: 00:40:37
   The lecture begins with an overview of the fundamental principles that professional accountants must follow, including integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

2. **Understanding Independence Threats**
   Timestamp: 01:16:33
   Aarti Madam introduces the concept of independence threats, categorizing them into five types: familiarity threat, self-interest threat, self-review threat, advocacy threat, and intimidation threat.

3. **Familiarity Threat**
   Timestamp: 01:17:00
   An example of a familiarity threat is provided, where a close family member holds a significant position within a client organization, potentially compromising the auditor's objectivity.

4. **Self-Interest Threat**
   Timestamp: 01:17:16
   The lecture discusses self-interest threats, such as financial interests in a client or accepting low fees to secure an assignment, which could influence the accountant's judgment.

5. **Self-Review Threat**
   Timestamp: 01:17:34
   Aarti Madam explains the self-review threat, where an accountant evaluates their own previous work, which can lead to biased conclusions.

6. **Advocacy Threat**
   Timestamp: 01:17:51
   Advocacy threats are highlighted, where an accountant promotes a client's interests to the extent that their objectivity is compromised, such as lobbying for legislation.

7. **Intimidation Threat**
   Timestamp: 01:18:08
   The intimidation threat is discussed, where clients may exert pressure on accountants through threats of dismissal or litigation, affecting their ability to act objectively.

8. **Evaluating Threats**
   Timestamp: 01:24:17
   The process of evaluating identified threats is emphasized, where accountants must determine if the threat is at an acceptable level and take necessary actions to mitigate it.

9. **Applying Safeguards**
   Timestamp: 01:26:31
   The lecture outlines the importance of applying safeguards to reduce threats, such as involving additional qualified personnel or separating teams for different tasks.

10. **Documentation Requirements**
    Timestamp: 01:35:50
    The necessity for proper documentation when responding to non-compliance issues is stressed, ensuring that all actions taken are recorded.

11. **Differences Between SA250 and NO CLAR**
    Timestamp: 01:44:42
    Aarti Madam compares SA250, which is applicable only for audits, with NO CLAR, which applies to both CA in practice and service, highlighting key differences.

12. **Stakeholder Definitions**
    Timestamp: 01:46:02
    The lecture notes that NO CLAR defines stakeholders, including investors, creditors, and the general public, while SA250 does not.

13. **Responding to Non-Compliance**
    Timestamp: 01:31:04
    The steps for responding to instances of non-compliance are outlined, including understanding the matter, seeking legal advice if necessary, and determining if reporting to authorities is required.

14. **Imminent Non-Compliance**
    Timestamp: 01:41:15
    The concept of imminent non-compliance is introduced, where accountants must act if they foresee a breach of law or regulation about to occur.

15. **Conclusion and Importance of Ethical Standards**
    Timestamp: 01:08:00
    The lecture concludes by reiterating the importance of adhering to ethical standards and the potential consequences of failing to do so, emphasizing the accountant's role in maintaining public trust.

Lecture 3

Overview

The main theme of the lecture revolves around the professional ethics and responsibilities of Chartered Accountants (CAs), particularly focusing on the guidelines set forth in the Chartered Accountants Act. The purpose of the lecture is to equip students with the necessary knowledge to navigate the complexities of auditing and accountancy practices, ensuring they understand the ethical standards and legal frameworks that govern their profession. The instructor emphasizes the importance of directed study efforts to grasp these concepts effectively, aiming to demystify the subject and foster a connection between students and the material. This includes discussions on the maintenance of branch offices, KYC norms, and the disciplinary mechanisms in place for addressing misconduct among Cas

Timestamps

1. **Introduction to Membership Misconduct** (00:07:36)

   Discusses penalties for falsely claiming to be a Chartered Accountant (CA), including fines and imprisonment for repeated offenses.

2. **Definition of CA Office** (00:30:38)
   - Defines what constitutes a CA office, emphasizing the importance of nameplates and professional stationery.
3. **Branch Office Regulations** (00:33:41)
   - Outlines rules regarding the maintenance of branch offices, including the requirement for a CA to have active association with each office.
4. **Disciplinary Actions** (00:10:01)
   - Describes actions that can be taken against a CA found guilty of misconduct, including reprimands, suspensions, and fines.
5. **Deemed to be in Practice** (00:12:31)
   - Explains conditions under which a member is deemed to be in practice, including rendering services for remuneration.
6. **Prohibition on Designations** (00:27:34)
   - Clarifies that CAs are prohibited from using any designation other than "Chartered Accountant" in their firm names.
7. **Know Your Client (KYC) Norms** (00:42:07)
   - Introduces KYC norms for CAs, detailing the information required from clients before providing services.
8. **Disciplinary Mechanism** (00:49:11)

- Discusses the process for filing complaints against CAs, including the role of the Disciplinary Directorate.

9. **Membership Disqualifications** (00:01:53)
    - Lists disqualifications for CA membership, such as age restrictions and insolvency.

10. **Removal from Membership Register** (00:06:29)
    - Explains circumstances under which a member's name can be removed from the register, including non-payment of fees and misconduct.

11. **Active Association Requirement** (00:33:41)
    - Emphasizes that a CA must actively associate with their branch offices for at least 182 days a year.

12. **Penalties for Non-Compliance** (00:26:54)
    - Discusses penalties for companies engaging in accountancy without proper authorization, including fines.

13. **Appeal Process** (00:49:11)
    - Describes the appeal process for CAs dissatisfied with disciplinary decisions, including timelines and possible outcomes.

14. **Professional Communication** (00:34:09)
    - Highlights the importance of declaring a main office for professional communication purposes.

15. **Final Thoughts on Ethics** (00:50:21)
    - Concludes with the significance of understanding the ethical framework and regulations governing Chartered Accountants.

Lecture 4

Overview

The lecture primarily focuses on the ethical guidelines outlined in the Chartered Accountants Act of 1949, specifically discussing the various clauses related to professional misconduct for Chartered Accountants (CAs) in practice. The purpose of the lecture is to provide a comprehensive understanding of these ethical standards, emphasizing the importance of adhering to them in order to maintain the integrity and reputation of the profession. Aarti Madam outlines the structure of the Act, detailing the first and second schedules, which categorize different types of misconduct and exceptions. The discussion includes a breakdown of the 34 clauses of ethics, with particular attention given to the twelve clauses in the first schedule, which pertain to professional misconduct for CAs in practice. The lecture aims to equip students with the knowledge necessary to navigate ethical dilemmas and uphold professional standards in their future careers.

Timestamps

1. **Introduction to the Lecture** (00:01:08)
    - The lecture begins with an overview of the agenda, which includes a discussion of the 34 clauses of ethics, focusing on professional misconduct for Chartered Accountants (CAs) in practice.
2. **Structure of the First Schedule** (00:01:17)
    - The first schedule of the Chartered Accountants Act is outlined, consisting of four parts, with a focus on Part 1, which deals with professional misconduct.
3. **Professional Misconduct Definition** (00:02:11)
    - Aarti Madam emphasizes the importance of understanding what constitutes professional misconduct for CAs, highlighting the need for adherence to ethical standards.
4. **Clause 1 Overview** (00:10:18)
    - The first clause (1.1) states that a CA is guilty of professional misconduct if they allow any person to practice in their name unless that person is also a CA in practice and is in partnership or employed by them.
5. **Clause 2 Discussion** (00:33:28)
    - Clause 2 (2.1) addresses the issue of CAs paying or allowing commissions to non-CAs for securing work, which is deemed professional misconduct.
6. **Understanding Solicitation** (00:54:27)
    - The lecture discusses Clause 6, which prohibits CAs from soliciting clients directly or indirectly, emphasizing the importance of maintaining professional integrity.
7. **Prohibited Ways of Solicitation** (01:09:39)

- Aarti Madam lists various prohibited solicitation methods, including advertisements, personal communication, and distributing circulars, which could lead to professional misconduct.

8. **Exceptions to Misconduct** (01:01:05)

   - The lecture highlights exceptions to certain clauses, explaining when a CA may engage in practices that would otherwise be considered misconduct.

9. **Partnership Regulations** (00:32:22)

   - The discussion includes regulations regarding partnerships, stating that CAs can only enter into partnerships with other CAs or specified qualified persons recognized by the government.

10. **Tender Inquiry Guidelines** (01:04:18)

    - Aarti Madam explains the rules surrounding tender inquiries, including the necessity of adhering to minimum fee requirements and the conditions under which earnest money deposits can be paid.

11. **Importance of Professional Independence** (01:09:19)

    - The lecture stresses that CAs must maintain their independence and not compromise their professional judgment by soliciting work.

12. **Ethical Standards in Teaching** (01:17:06)

    - CAs are allowed to engage in teaching and coaching activities, provided these do not lead to solicitation of clients.

13. **Use of Firm Names and Logos** (01:16:29)

    - Aarti Madam clarifies that while CAs can mention their qualifications, they cannot use their firm names or logos inappropriately.

14. **Client Communication Restrictions** (01:18:14)

    - CAs are advised against unsolicited communication with potential clients, emphasizing that clients should initiate contact.

15. **Conclusion and Summary of Clauses** (01:09:28)

    - The lecture concludes with a recap of the discussed clauses, reinforcing the importance of ethical conduct and the implications of professional misconduct for CAs.

Lecture 5

Overview

The lecture primarily focuses on the professional ethics outlined in the Chartered Accountants Act of 1949, specifically Clause 7 of Part 1 of the First Schedule. The purpose is to educate participants about the ethical standards that Chartered Accountants (CAs) must adhere to, particularly concerning advertising their services and professional conduct. Aarti Madam emphasizes the importance of understanding what constitutes professional misconduct and the exceptions to these rules. The discussion includes practical examples and clarifications to help CAs navigate ethical dilemmas in their practice, ensuring compliance with the regulations set forth by the Institute of Chartered Accountants of India (ICAI).

Timestamps

1. **Introduction of CA Magnet** (00:00:00)
    - The lecture begins with the introduction of CA Magnet, who is being taught about professional ethics in accounting.
2. **Clause 7 of the Chartered Accountants Act** (00:05:59)
    - Discussion of Clause 7 of Part 1 of the First Schedule to the Chartered Accountants Act 1949, outlining professional misconduct related to advertising professional services.
3. **Misconduct in Advertising** (00:06:03)
    - A Chartered Accountant is guilty of professional misconduct if they advertise their services or use unapproved designations, such as claiming to be a tax consultant.
4. **Importance of Compliance** (01:06:24)
    - Emphasis on ensuring compliance with sections 139, 140, and 141 of the Companies Act 2013 before accepting an audit appointment.
5. **Professional Misconduct for Incoming Auditors** (01:06:36)
    - An incoming auditor who accepts an appointment without verifying compliance with relevant laws is guilty of professional misconduct.
6. **Role of Compliance Certificates** (01:06:43)
    - Clarification that a compliance certificate from management is not sufficient; the auditor must verify compliance independently.
7. **Unjustified Removal of Auditors** (01:09:08)
    - A scenario is presented where an auditor is unjustly removed after reporting fraud, highlighting the auditor's rights and obligations.
8. **NOC Requirement** (00:43:25)

- The necessity for an incoming auditor to obtain a No Objection Certificate (NOC) from the outgoing auditor is discussed, emphasizing the communication process.

9. **Delegation of Signing Tasks** (01:53:00)
    - Explanation that while routine document signing can be delegated, signing reports and certificates cannot be delegated to unqualified staff.
10. **Professional Fees and Undercutting** (01:19:04)
    - Addressing the concept of undercutting fees, stating that charging significantly lower fees than an outgoing auditor is not considered professional misconduct.
11. **Client Responsibilities** (01:19:06)
    - Discussion on the client's responsibility to pay undisputed fees of the outgoing auditor before the incoming auditor can accept the audit.
12. **Clarifications on Clause 7** (00:07:21)
    - Outlining various clarifications related to Clause 7, emphasizing the need for understanding both misconduct and exceptions.
13. **Consequences of Non-Compliance** (01:08:20)
    - Highlighting the consequences of failing to comply with the provisions of the Companies Act, such as accepting an audit without proper verification.
14. **Communication with Outgoing Auditors** (00:46:32)
    - Stressing the importance of communication between incoming and outgoing auditors, particularly regarding any issues raised by the outgoing auditor.
15. **Final Thoughts on Professional Ethics** (01:59:04)
    - Concluding with a summary of the key ethical considerations for Chartered Accountants, reinforcing the importance of integrity and compliance in their professional conduct.

Lecture 6

Overview

The lecture primarily focuses on the professional misconduct of Chartered Accountants (CAs) in both practice and service, as outlined in the first and second schedules of the relevant regulations. It emphasizes the ethical obligations of CAs, detailing specific clauses that define misconduct, such as the prohibition against sharing or accepting fees from unauthorized sources. The purpose of the lecture is to educate CAs about the standards of professional conduct they must adhere to, ensuring they maintain integrity and professionalism in their roles. This includes understanding the consequences of failing to comply with these standards, which can lead to disciplinary actions. The discussion also highlights the differences between minor and major offenses, reinforcing the importance of ethical behavior in the accounting profession.

Timestamps

1. **Professional Misconduct Under Clause 912**:
    - Discusses the failure to invite attention to material departures from generally accepted audit procedures, which can lead to professional misconduct under Clause 912.
    - **Timestamp**: 01:45:51.
2. **Peer Review Certificate Requirement**:
    - Emphasizes that auditors of listed entities must hold a valid peer review certificate as per SEBI regulations. Failing to mention this in reports can lead to misconduct under Clause 912.
    - **Timestamp**: 01:46:24.
3. **Misconduct for Not Disclosing Material Facts**:
    - Highlights that failing to disclose material facts known to the auditor, which are necessary for financial statements, constitutes professional misconduct under Clause 512.
    - **Timestamp**: 01:16:08.
4. **Material Misstatement Reporting**:
    - Explains that if an auditor fails to report a material misstatement, they are guilty of misconduct under Clause 612. This includes issuing an unmodified opinion when a qualified opinion is warranted.
    - **Timestamp**: 01:25:33.
5. **Client Money Usage**:
    - Discusses the obligation to use client funds for their intended purpose. Misusing these funds can lead to misconduct under Clause 1012.

- **Timestamp**: 01:48:54.

6. **Gross Negligence in Auditing**:
    - Defines gross negligence as failing to exercise due diligence in professional duties, which can result in misconduct under Clause 712.
    - **Timestamp**: 01:54:34.
7. **Consequences of Failing to Follow Auditing Standards**:
    - Stresses that not adhering to auditing standards and failing to report such deviations can lead to serious professional misconduct.
    - **Timestamp**: 01:53:41.
8. **Importance of Professional Conduct**:
    - Discusses the distinction between minor and major offenses in professional conduct, with the first schedule addressing minor offenses and the second schedule addressing major offenses.
    - **Timestamp**: 01:54:04.
9. **Confidentiality Breach**:
    - Highlights the importance of maintaining confidentiality in audits and the consequences of breaching this duty.
    - **Timestamp**: 01:54:04.
10. **Engagement Partner Responsibilities**:
    - Discusses the responsibilities of engagement partners in ensuring compliance with auditing standards and the implications of failing to do so.
    - **Timestamp**: 01:54:34.
11. **Material Fraud Detection**:
    - Emphasizes that while detecting fraud is not the primary responsibility of auditors, they must be vigilant and report any significant discrepancies.
    - **Timestamp**: 01:54:34.
12. **Client Disclosure Obligations**:
    - Advises on the auditor's duty to encourage clients to disclose necessary information, especially when it pertains to past fraud.
    - **Timestamp**: 01:54:34.
13. **Regulatory Compliance**:
    - Discusses the importance of complying with regulations set by the ICAI and the consequences of non-compliance, which can lead to misconduct under Clause 122.

- **Timestamp**: 01:54:34.

14. **Audit Report Integrity**:

    - Stresses the necessity for auditors to maintain integrity in their reports, ensuring that all material facts are disclosed.
    - **Timestamp**: 01:54:34.

15. **Consequences of Misleading Information**:

    - Discusses the implications of providing false information regarding professional qualifications, which can lead to severe penalties.
    - **Timestamp**: 01:54:34.

Lecture 7

Overview

The lecture primarily focuses on the ethical guidelines and professional conduct expected of Chartered Accountants (CAs) as outlined in the Chartered Accountants Act of 1949. It discusses the 34 clauses of ethics detailed in the two schedules of the Act, emphasizing the importance of adhering to these standards to avoid professional misconduct. Aarti Madam elaborates on various aspects of professional behavior, including the responsibilities of CAs in practice and service, and the implications of breaching these ethical guidelines. Additionally, the lecture covers recent decisions by the Ethical Standard Board and recommended self-regulatory measures, reinforcing the necessity for CAs to maintain integrity and professionalism in their work.

Timestamps

1. **Conflict of Interest in Signing ROC Forms**:
    - **Timestamp**: 01:27:17
    - A Chartered Accountant (CA) in practice cannot sign the Registrar of Companies (ROC) forms if they are also a director in the company due to a conflict of interest.
2. **Authorized Representative for Foreign Companies**:
    - **Timestamp**: 01:27:59
    - A CA in practice can act as an authorized representative for a foreign company, provided they are not the auditor of that company.
3. **Joint Training Sessions on GST**:
    - **Timestamp**: 01:28:30
    - CAs in practice are permitted to conduct joint training sessions for clients on GST matters and share the fees from these sessions.
4. **Professional Misconduct Clauses**:
    - **Timestamp**: 00:12:12
    - The lecture covered the 34 clauses of professional misconduct under the Chartered Accountants Act, emphasizing the importance of understanding these for ethical compliance.
5. **Breach of Confidentiality**:
    - **Timestamp**: 00:14:19
    - A CA in practice can be found guilty of misconduct for breaching confidentiality, failing to disclose material facts, or being grossly negligent in their duties.
6. **Network Registration for CAs**:

- **Timestamp**: 00:37:04
- The concept of multidisciplinary partnerships (MDP) and network registrations was introduced, allowing CAs to collaborate across different professional domains.

7. **UDIN Requirement**:
    - **Timestamp**: 00:12:12
    - The Unique Document Identification Number (UDIN) must be generated for all certification and audit reports to prevent malpractice.
8. **Limitations on Audit Assignments**:
    - **Timestamp**: 00:24:21
    - The lecture discussed the limits on the number of audit assignments a CA can undertake, highlighting the distinction between company audits and other types of audits.
9. **Prohibition on Certain Agencies**:
    - **Timestamp**: 00:24:41
    - CAs in practice are not allowed to take agencies for certain financial institutions like UTI, GIC, or NSDL.
10. **Settler of a Trust**:
    - **Timestamp**: 00:24:41
    - A CA in practice can be a settler of a trust, which is significant for understanding the roles and responsibilities of CAs in various capacities.
11. **Statutory Audit Restrictions**:
    - **Timestamp**: 01:18:54
    - CAs cannot accept statutory audit assignments for entities where immediate family members hold honorary positions.
12. **Disclosure of Interests**:
    - **Timestamp**: 00:19:53
    - CAs must disclose any payments received from clients through different firms they are associated with, promoting transparency.
13. **Council Guidelines**:
    - **Timestamp**: 00:15:08
    - The lecture emphasized the importance of adhering to the 17 chapters of the Council guidelines, which outline the ethical conduct expected from CAs.
14. **Professional Fees**:

- **Timestamp**: 00:19:53
- The ICAI has recommended minimum scales of fees for audit services, discouraging extremely low fees that could undermine the profession.

15. **Ethical Standards in Networks**:

    - **Timestamp**: 00:12:12
    - Ethical standards must be maintained within networks of CAs, ensuring that all members adhere to the same professional guidelines.

Lecture 8

Overview

The main theme of the lecture revolves around the Engagement and Quality Control Standards issued by the Auditing and Assurance Standards Board of the ICAI. It emphasizes the importance of understanding and applying these standards in the context of auditing, particularly focusing on risk assessment, internal control, and reporting under the Companies Act 2013. The purpose of the lecture is to equip students with the knowledge and skills necessary to navigate the complexities of auditing standards, ensuring compliance and quality in audit engagements. The discussion includes detailed coverage of various auditing standards, their applications, and the significance of maintaining high-quality audit practices.

Timestamps

1. **Introduction to Engagement and Quality Control Standards**
   Timestamp: 00:04:32
   The lecture begins with an overview of the importance of maintaining high-quality standards in engagements, emphasizing the need for compliance with established guidelines.

2. **Leadership Responsibilities**
   Timestamp: 00:58:08
   The first key component discussed is the leadership's commitment to quality. It is essential for leaders to ensure that quality control policies are in place and that the firm has sufficient resources to support these policies.

3. **Ethical Requirements**
   Timestamp: 00:58:37
   The importance of ethical standards, including independence, is highlighted. The firm must identify and evaluate any threats to independence and implement safeguards.

4. **Client Acceptance and Continuance**
   Timestamp: 01:00:05
   The lecture discusses the criteria for accepting or continuing client relationships, focusing on the integrity of the client and the firm's capability to perform the engagement.

5. **Human Resources**
   Timestamp: 01:00:07
   The need for qualified personnel is emphasized. The firm must ensure that it has sufficient staff with the necessary competence and commitment to meet quality standards.

6. **Engagement Performance**
   Timestamp: 01:57:23
   The importance of proper engagement performance is discussed, including the need for direction, supervision, and review of the work performed.

7. **Consultation on Difficult Matters**
   Timestamp: 01:00:12
   The lecture stresses the importance of consulting with experts on contentious issues to ensure that the engagement is performed correctly.

8. **Engagement Quality Control Review (EQCR)**
   Timestamp: 02:08:52
   The EQCR process is introduced, detailing how it reviews the engagement to ensure compliance with quality standards before the final report is issued.

9. **Independence Checks in EQCR**
   Timestamp: 02:10:05
   The EQCR's role in reviewing independence matters is highlighted, including the need to document any identified threats.

10. **Differences of Opinion**
    Timestamp: 01:00:54
    The lecture discusses how differences of opinion among team members must be resolved before the report is issued, emphasizing the importance of documentation.

11. **Monitoring Quality Control Systems**
    Timestamp: 01:01:21
    The need for ongoing monitoring of the quality control system is discussed to ensure it remains effective and compliant.

12. **Documentation Requirements**
    Timestamp: 01:01:07
    The importance of maintaining proper documentation throughout the engagement process is emphasized, as it supports the conclusions drawn during the audit.

13. **Communication with Governance**
    Timestamp: 02:12:38
    The necessity of communicating significant matters to those charged with governance is covered, ensuring transparency and accountability.

14. **Materiality and Risk Assessment**
    Timestamp: 02:12:14
    The discussion includes how materiality is determined and the auditor's responses to assessed risks, referencing specific auditing standards.

15. **Final Reporting**
    Timestamp: 02:13:01
    The final report's appropriateness is discussed, ensuring that it meets the required standards and reflects the engagement's findings accurately.

Lecture 9

Overview

The main theme of the lecture revolves around the overall objectives of the independent auditor as outlined in SA200, emphasizing the importance of conducting audits in accordance with established auditing standards. The purpose is to provide auditors with a comprehensive understanding of their responsibilities, including obtaining reasonable assurance that financial statements are free from material misstatement and prepared in accordance with applicable financial reporting frameworks. The lecture also highlights key concepts such as audit risk, professional skepticism, and the significance of audit documentation in supporting the auditor's conclusions and compliance with standards.

Timestamps

1. **Engagement Partner Responsibilities**
   Timestamp: 00:19:01
   Summary: The engagement partner must ensure that an Engagement Quality Control Review (EQCR) fellow is appointed, significant matters are discussed with them, and the audit report is not dated until the EQCR is completed.

2. **EQCR Review Process**
   Timestamp: 00:20:12
   Summary: The EQCR involves reviewing significant judgments, financial statements, and audit documentation to ensure the appropriateness of the audit report.

3. **Audit Completion Memorandum**
   Timestamp: 01:46:14
   Summary: This document summarizes significant matters identified during the audit, how they were addressed, and includes cross-references to detailed audit documentation.

4. **Documentation Requirements**
   Timestamp: 00:21:16
   Summary: The importance of proper documentation is emphasized, including the assembly of audit files within 60 days and retention for at least seven years.

5. **Professional Skepticism**
   Timestamp: 00:48:46
   Summary: Auditors must maintain a questioning mind and be alert to conditions that may indicate misstatements due to error or fraud.

6. **Audit Risk Components**
   Timestamp: 01:12:06
   Summary: The lecture discusses the three components of audit risk: inherent risk, control risk, and detection risk, and how they interact.

7. **Engagement Letter Contents**
   Timestamp: 01:21:42
   Summary: The engagement letter must outline the audit's objective, scope,

responsibilities of both the auditor and management, and the applicable financial reporting framework.

8. **Changes Requiring New Engagement Letters**
   Timestamp: 01:17:43
   Summary: Seven circumstances that necessitate issuing a new engagement letter for recurring audits are discussed, including changes in management or ownership.

9. **Quality Control Policies**
   Timestamp: 00:10:09
   Summary: The engagement partner is responsible for ensuring that the audit complies with the firm's quality control policies and procedures.

10. **Ethical Requirements**
    Timestamp: 00:11:07
    Summary: The importance of compliance with ethical requirements and independence is highlighted, along with the need to evaluate any threats to independence.

11. **Audit Documentation Importance**
    Timestamp: 01:38:58
    Summary: Audit documentation serves as evidence of the audit's planning and execution according to standards and legal requirements.

12. **Review of Audit Work**
    Timestamp: 01:12:01
    Summary: The lecture differentiates between normal reviews and EQCR, emphasizing the need for proper supervision and documentation.

13. **Professional Judgment**
    Timestamp: 00:50:04
    Summary: Auditors must exercise professional judgment in decision-making, ensuring that every decision is backed by logic and rationale.

14. **Inherent Limitations of Audits**
    Timestamp: 00:56:20
    Summary: The inherent limitations of audits are discussed, explaining why auditors provide reasonable rather than absolute assurance.

15. **Consultation on Significant Matters**
    Timestamp: 00:18:02
    Summary: The need for consultation on significant matters during the audit process is stressed, particularly when unexpected issues arise.

Lecture 10

Overview

The lecture primarily focuses on the importance of effective communication between auditors and those charged with governance (TCWG) as outlined in SA260. The purpose is to establish a constructive working relationship that facilitates two-way communication, ensuring that relevant information is shared effectively. Key questions addressed include what matters need to be communicated, to whom, when, how, and why this communication is essential. The discussion emphasizes the objectives of the auditor in maintaining independence, planning the audit scope, and addressing significant findings, thereby enhancing the overall audit process and governance oversight.

Timestamps

1. **Introduction to SA260**
   Timestamp: 02:20:56
   Aarti Madam introduces the importance of effective communication with those charged with governance (TCWG) and outlines the objectives of the auditor in this context.

2. **Key Questions of SA260**
   Timestamp: 02:22:30
   The discussion revolves around five key questions: what, whom, when, how, and why regarding communication with TCWG.

3. **Matters to be Communicated**
   Timestamp: 02:14:51
   Aarti Madam emphasizes the significance of identifying what matters need to be communicated to TCWG, including independence, significant findings, and auditor responsibilities.

4. **Timing of Communication**
   Timestamp: 02:15:08
   The timing of communication is crucial; responsibilities should be communicated before the audit, while findings are shared towards the end.

5. **Method of Communication**
   Timestamp: 02:16:18
   The preferred method of communication is in writing, with oral communications needing proper documentation.

6. **Significant Findings**
   Timestamp: 02:14:00
   Significant findings from the audit include qualitative aspects, difficulties encountered, and any other significant matters that affect the audit report.

7. **Independence Matters**
   Timestamp: 02:04:30
   The auditor must communicate how independence has been maintained and any threats identified during the audit.

8. **Management Override of Controls**
   Timestamp: 00:42:39
   Aarti Madam discusses the risk of management overriding controls as a presumed fraud risk that auditors must always consider.

9. **Fraud Risk Factors**
   Timestamp: 00:25:02
   The lecture covers fraud risk factors, including incentives, pressures, and opportunities that may lead to fraudulent activities.

10. **Types of Fraud**
    Timestamp: 00:18:07
    Two main types of fraud are identified: fraudulent financial reporting and misappropriation of assets.

11. **Documentation Requirements**
    Timestamp: 00:52:21
    Auditors are required to document significant decisions and discussions among the engagement team regarding fraud.

12. **Legal Responsibilities**
    Timestamp: 00:51:40
    Aarti Madam highlights the auditor's legal responsibilities when fraud is suspected, including reporting to TCWG and possibly to regulatory bodies.

13. **Communication of Findings**
    Timestamp: 00:51:57
    If fraud involves management, the auditor must communicate this to TCWG and discuss the nature and extent of audit procedures.

14. **Consideration of Laws and Regulations**
    Timestamp: 01:43:14
    The importance of considering compliance with laws and regulations during the audit process is emphasized.

15. **Conclusion of SA240**
    Timestamp: 02:22:30
    The lecture concludes with a summary of the auditor's responsibilities relating to fraud in financial statements, transitioning to the next standard, SA250.

Lecture 11

Overview

The lecture primarily focuses on the auditing standards, particularly SA 265, which addresses the communication of deficiencies in internal control to those charged with governance (TCWG) and management. The purpose of this standard is to ensure that auditors express an opinion on the financial statements while also identifying and reporting any weaknesses in internal controls that could affect the accuracy of those statements. Aarti Madam emphasizes the importance of understanding internal controls, performing control testing, and communicating any deficiencies effectively to enhance the overall governance and management processes within organizations. This communication serves as a value-added service, allowing management to address issues proactively and improve internal controls.

Timestamps

1. **Introduction to Internal Control Deficiencies**
   Timestamp: 00:13:31
   Aarti Madam discusses the importance of communicating deficiencies in internal control to management and TCWG (Those Charged with Governance) as per SA 265.

2. **Audit Report Context**
   Timestamp: 00:14:09
   An example is provided where an auditor reports a "true and fair" view, but later a significant fraud is discovered, highlighting the auditor's responsibility and the importance of prior communication regarding deficiencies.

3. **Management Override of Controls**
   Timestamp: 00:04:30
   The lecture emphasizes that management override of controls is a significant risk in audits, which can lead to fraudulent activities.

4. **Indicators of Significant Deficiencies**
   Timestamp: 00:05:12
   Aarti Madam outlines various indicators that suggest significant deficiencies in internal control, including management's failure to take remedial actions and ineffective oversight.

5. **Risk Assessment Process**
   Timestamp: 00:19:26
   The importance of a robust risk assessment process is discussed, detailing scenarios where risk is either not identified or inadequately responded to.

6. **Communication of Deficiencies**
   Timestamp: 00:10:26
   The necessity of communicating identified deficiencies in writing to TCWG before the approval of financial statements is stressed, ensuring they can fulfill their oversight responsibilities.

7. **Deficiency Identification Steps**
   Timestamp: 00:09:50

Aarti Madam outlines steps for identifying deficiencies, including understanding root causes and management responses.

8. **Legal Liability of Auditors**
   Timestamp: 00:15:19
   The discussion includes how prior communication of deficiencies can help minimize legal liability for auditors in case of future fraud detection.

9. **Contents of the Deficiency Report**
   Timestamp: 00:12:21
   The report to management should include UPD SLR (Users, Purpose, Description, and Limitations of the report), detailing the deficiencies and their potential effects.

10. **Joint Audits**
    Timestamp: 00:27:23
    The lecture transitions to discussing joint audits (SA 299), where multiple auditors are involved in auditing financial statements.

11. **Responsibilities in Joint Audits**
    Timestamp: 00:39:25
    Each joint auditor is responsible for their allocated areas, and the importance of mutual discussion in planning the audit is highlighted.

12. **Common Engagement Letters**
    Timestamp: 00:47:11
    The necessity of common engagement letters and representation letters among joint auditors to avoid disputes is discussed.

13. **Work Allocation Document**
    Timestamp: 00:39:30
    The importance of documenting the division of work among joint auditors to prevent confusion is emphasized.

14. **Reporting Differences of Opinion**
    Timestamp: 00:47:32
    The lecture explains how joint auditors can report separately if there are differences of opinion, ensuring transparency in the audit report.

15. **Conclusion of the 200 Series Standards**
    Timestamp: 00:27:23
    Aarti Madam concludes the discussion on the 200 series standards, summarizing the key points covered throughout the lecture.

Lecture 12

Overview

The lecture primarily focuses on the framework of internal controls and risk management in organizations, emphasizing the importance of establishing effective control systems to ensure the integrity of financial reporting and compliance with regulations. It discusses various control frameworks such as COBIT and COSO, outlining their objectives and components, including planning, organization, acquisition, implementation, delivery, support, monitoring, and evaluation. The purpose of the lecture is to equip managers with the necessary tools to bridge the gap between technical issues, business risks, and control requirements, thereby enhancing risk management practices and ensuring the reliability of financial information.

Timestamps

1. **Introduction to Control Framework**
   Timestamp: 02:01:51
   The lecture begins with an overview of the criteria of control framework developed by the Canadian Institute of Chartered Accountants, emphasizing the importance of effective control in organizations.

2. **PCCM Framework**
   Timestamp: 02:02:02
   Aarti Madam introduces the PCCM framework, which consists of four areas: Purpose, Commitment, Capability, and Monitoring. This framework is essential for assessing the effectiveness of controls within an organization.

3. **Criteria for Effective Control**
   Timestamp: 02:02:14
   The lecture outlines 20 criteria for effective control, categorized under the PCCM framework. Each criterion must be examined to determine the effectiveness of controls.

4. **Control Objectives**
   Timestamp: 00:36:10
   The objectives of internal controls are discussed, focusing on reliability of financial reporting, efficiency of operations, safeguarding of assets, and compliance with laws and regulations.

5. **Risk Assessment Procedures**
   Timestamp: 00:01:03
   Aarti Madam explains the importance of risk assessment procedures in auditing, highlighting the need to assess risks at both the financial statement level and assertion level.

6. **Segregation of Duties**
   Timestamp: 01:09:06
   A critical point made is the necessity of segregating duties within an organization to minimize the risk of fraud and errors. No single person should handle a transaction from start to finish.

7. **Internal Control Questionnaire**
   Timestamp: 01:51:44
   The lecture discusses the use of an internal control questionnaire, which is filled out by client staff to assess the effectiveness of internal controls across various areas.

8. **Evaluation of Controls**
   Timestamp: 01:38:50
   The importance of evaluating internal controls annually is emphasized, with the possibility of extending the review period to three years if controls are found effective and unchanged.

9. **Components of Internal Control**
   Timestamp: 01:18:06
   The five components of internal control are introduced, summarized as CHRISM: Control Environment, Risk Assessment, Information System, Control Activities, and Monitoring.

10. **Inherent Limitations of Internal Control**
    Timestamp: 01:02:44
    Aarti Madam discusses inherent limitations of internal controls, including human error, management override, and the potential for collusion among employees.

11. **Objectives of Internal Control**
    Timestamp: 00:36:26
    The objectives of internal control are reiterated, focusing on safeguarding assets, ensuring accuracy in accounting records, and preventing fraud.

12. **Audit Procedures**
    Timestamp: 00:27:00
    The lecture outlines the audit procedures necessary for obtaining audit evidence, including risk assessment procedures and further audit procedures.

13. **Management's Role in Internal Control**
    Timestamp: 01:12:10
    The necessity for management to perform a formal assessment of internal controls is highlighted, particularly in the context of compliance with regulations.

14. **Control Environment**
    Timestamp: 01:26:13
    The control environment is discussed as a critical component of internal control, emphasizing the tone set by management and the organizational structure.

15. **Reporting to TCWG**
    Timestamp: 00:34:36
    The importance of reporting any identified weaknesses in internal controls to those charged with governance (TCWG) is stressed, ensuring accountability and transparency.

Lecture 13

Overview

The main theme of the lecture revolves around the standards of auditing, specifically focusing on the planning and execution of audits as outlined in various auditing standards such as SA 300, SA 320, and others. The purpose of the lecture is to provide a comprehensive understanding of the importance of audit planning, the relationship between materiality and audit risk, and the procedures involved in conducting an effective audit. Key concepts discussed include the significance of materiality in planning and performing audits, the necessity of revising audit strategies based on changing circumstances, and the detailed steps involved in formulating and executing an audit program. The lecture emphasizes that effective planning is crucial for successful audit outcomes and highlights the interconnectedness of various auditing standards and practices.

Timestamps

1. **Importance of Audit Planning**
   Timestamp: 00:03:40
   Aarti Madam emphasizes that effective audit planning is crucial for successful audits, stating, "If you fail to plan, you're planning to fail".

2. **SA300 Overview**
   Timestamp: 00:03:20
   Discussion begins with SA300, which covers the planning and audit of financial statements, highlighting its significance in the audit process.

3. **Preliminary Engagement Activities**
   Timestamp: 00:04:00
   Before planning, auditors must conduct preliminary engagement activities to ensure compliance with ethical requirements and assess client integrity.

4. **Audit Strategy and Program**
   Timestamp: 00:03:40
   The lecture outlines the relationship between audit strategy, audit program, and audit execution, indicating that these elements are interrelated and essential for effective auditing.

5. **Materiality in Auditing**
   Timestamp: 00:55:05
   SA320 discusses materiality, emphasizing its role in planning and performing audits, and the inverse relationship between materiality and audit risk.

6. **Risk Assessment**
   Timestamp: 00:32:00
   The importance of risk assessment in the audit process is highlighted, with auditors needing to evaluate risks and controls before executing the audit.

7. **Performance Materiality**
   Timestamp: 01:02:10
   The concept of performance materiality is introduced, which is set below overall materiality to address the risk of aggregate immaterial misstatements becoming material.

8. **Revising Materiality**
   Timestamp: 01:14:20
   Auditors can revise materiality as the audit progresses based on new information or changes in circumstances.

9. **Audit Execution Steps**
   Timestamp: 00:52:00
   The steps for executing the audit include risk analysis, control evaluation, testing of controls, and reporting.

10. **Audit Program Stages**
    Timestamp: 00:47:30
    The stages of drawing an audit program are outlined: creating a broad outline, detailing specific procedures, and determining any special procedures needed.

11. **Factors for Audit Strategy**
    Timestamp: 00:32:54
    Factors to consider in establishing an overall audit strategy include the characteristics of the engagement, reporting objectives, and results of preliminary engagement activities.

12. **Documentation of Changes**
    Timestamp: 00:54:00
    The necessity of documenting significant changes in the audit strategy and plan is emphasized, including the reasons for those changes.

13. **SA402 Overview**
    Timestamp: 01:16:44
    The lecture transitions to SA402, which deals with audit considerations for entities using service organizations, stressing the importance of understanding these relationships.

14. **Communication with Management**
    Timestamp: 00:54:00
    While discussing audit planning with management is acceptable, it should not compromise the effectiveness of the audit.

15. **Final Thoughts on Audit Standards**
    Timestamp: 01:16:30
    Aarti Madam concludes with a summary of the key auditing standards covered, reinforcing the interconnectedness of the various standards in the auditing process.

Lecture 14

Overview

The main theme of the lecture revolves around the auditing process, specifically focusing on identifying and assessing the risk of material misstatement (RMM) in financial statements. The purpose is to provide a comprehensive understanding of the risk-based audit approach, emphasizing the importance of understanding the entity and its environment to effectively assess risks. The lecture discusses various auditing standards, including SA315, SA330, and SA450, which guide auditors in evaluating risks, responding to them, and reporting findings. Key concepts include the auditor's responses to assessed risks, the procedures for obtaining audit evidence, and the evaluation of misstatements identified during audits.

Timestamps

1. **Introduction to Audit Misstatements**
   Timestamp: 00:58:09
   Aarti Madam emphasizes the importance of evaluating misstatements identified during an audit and the need to accumulate all identified misstatements before proceeding.

2. **Steps in Evaluating Misstatements**
   Timestamp: 00:58:09
   The first step in evaluating misstatements is to create a comprehensive list of all misstatements identified by the audit team members.

3. **Materiality and Misstatements**
   Timestamp: 01:06:43
   Aarti Madam explains that if identified misstatements exceed materiality, the audit strategy may need to be revised.

4. **Communication with Management**
   Timestamp: 01:08:01
   After identifying misstatements, auditors must communicate these findings to management and request corrections.

5. **Uncorrected Misstatements**
   Timestamp: 01:12:14
   If management refuses to correct misstatements, auditors must reassess materiality and consider the implications of uncorrected misstatements.

6. **Types of Modified Opinions**
   Timestamp: 02:08:19
   The lecture outlines the three types of modified opinions: qualified opinion, adverse opinion, and disclaimer of opinion, based on the materiality and pervasiveness of misstatements.

7. **Audit Evidence**
   Timestamp: 01:17:02
   Aarti Madam emphasizes the importance of obtaining sufficient and appropriate audit evidence, detailing various methods such as inspection, inquiry, and analytical procedures.

8. **Risk Assessment Procedures**
   Timestamp: 00:46:04
   The discussion includes the need for risk assessment procedures to identify and assess the risk of material misstatement.

9. **Control Testing**
   Timestamp: 00:42:59
   The necessity of control testing is highlighted, explaining when and why auditors must perform tests of controls.

10. **Significant Risks**
    Timestamp: 00:46:39
    Aarti Madam discusses how auditors should respond to significant risks by increasing the nature, timing, and extent of audit procedures.

11. **Assertions in Auditing**
    Timestamp: 01:39:29
    The lecture covers the importance of assertions related to account balances, classes of transactions, and presentation and disclosure.

12. **Evaluation of Misstatements**
    Timestamp: 01:16:18
    The process of evaluating the effect of identified misstatements is discussed, including the need to accumulate and assess their impact on financial statements.

13. **Importance of Communication**
    Timestamp: 01:12:32
    The need for effective communication with those charged with governance (TCWG) regarding uncorrected misstatements is emphasized.

14. **Audit Strategy Revision**
    Timestamp: 01:06:39
    Aarti Madam reiterates that the audit strategy may need to be revised based on the identified misstatements and their materiality.

15. **Conclusion on Audit Procedures**
    Timestamp: 02:27:08
    The lecture concludes with a summary of the audit procedures and the importance of a risk-based audit approach, integrating all discussed standards.

Lecture 15

Overview

The lecture primarily focuses on the importance and application of analytical procedures in auditing, specifically as outlined in SA 520. The main theme revolves around the necessity of employing analytical procedures throughout various stages of the audit process, including planning, risk assessment, substantive procedures, and conclusion. The purpose is to ensure that auditors can effectively assess risks of material misstatement, gather relevant and reliable evidence, and verify the consistency of their conclusions with the financial information of the entity being audited. The discussion emphasizes the systematic approach to analytical procedures, highlighting their role in identifying inconsistencies and guiding further inquiries into management's assertions.

Timestamps

1. **Introduction to External Confirmations**
   Timestamp: 00:00:00
   Overview of external confirmations and their importance in obtaining reliable audit evidence.

2. **Definitions of Key Terms**
   Timestamp: 00:05:00
   Definitions of essential terms such as external confirmation, positive confirmation request, and negative confirmation request.

3. **Situations for Using External Confirmations**
   Timestamp: 00:05:30
   Discussion of scenarios where external confirmations are applicable, particularly in balance sheet audits.

4. **Process of External Confirmation**
   Timestamp: 00:14:00
   Steps involved in the external confirmation process, including selecting items for confirmation and designing the request.

5. **Management's Refusal to Confirm**
   Timestamp: 00:26:30
   Case study regarding management's refusal to allow confirmation requests and its impact on the auditor's assessment.

6. **Analytical Procedures Throughout the Audit**
   Timestamp: 00:01:00
   Emphasis on performing analytical procedures at all stages of the audit: planning, substantive procedures, and conclusion.

7. **Purpose of Analytical Procedures**
   Timestamp: 00:01:30
   Different purposes for analytical procedures at each stage of the audit.

8. **Identifying Misstatements**
   Timestamp: 00:03:00
   Importance of identifying misstatements through analytical procedures and evaluating financial information.

9. **Sampling Risks**
   Timestamp: 00:09:00
   Introduction to sampling risk and how conclusions drawn from samples may differ from those drawn from the entire population.

10. **Tolerable Misstatement**
    Timestamp: 00:29:00
    Definition of tolerable misstatement and its significance in the context of audit assurance.

11. **Audit Sampling**
    Timestamp: 00:10:00
    Discussion on audit sampling and the steps involved in creating a sampling plan.

12. **Factors in Designing Confirmation Requests**
    Timestamp: 00:06:00
    Factors to consider when designing confirmation requests, including the characteristics of intended respondents.

13. **Evaluating Responses**
    Timestamp: 00:14:00
    Importance of evaluating responses received from confirmation requests and actions to take in case of non-responses.

14. **Final Checks with Analytical Procedures**
    Timestamp: 00:01:00
    Explanation of how analytical procedures serve as a final check before issuing the audit report.

15. **Conclusion of the Lecture**
    Timestamp: 00:11:00
    Summary of key points discussed, reinforcing the importance of thoroughness in audit procedures and the need for reliable evidence.

Lecture 16

Overview

The lecture primarily focuses on the auditing of accounting estimates, particularly under the framework of SA 540. It emphasizes the significance of understanding estimation uncertainty, management bias, and the inherent subjectivity involved in making accounting estimates. The purpose is to equip auditors with the knowledge to assess the reasonableness of management's estimates, identify potential biases, and ensure compliance with relevant accounting standards. The discussion includes the processes for risk assessment, the evaluation of management's assumptions, and the importance of audit evidence in determining the reliability of estimates. Overall, the lecture aims to enhance auditors' ability to conduct thorough and effective audits of financial statements, ensuring that estimates are accurately reported and disclosed.

Timestamps

1. **Introduction to SA 550**
   Timestamp: 01:25:48
   Summary: The lecture begins with a discussion on SA 550, which pertains to related parties, emphasizing the importance of identifying and disclosing related party relationships and transactions.

2. **Understanding Key Terms**
   Timestamp: 01:26:00
   Summary: Aarti Madam introduces four critical terms: relationships, transactions, identified, and disclosed, which are foundational for understanding related party transactions.

3. **Management's Responsibility**
   Timestamp: 01:27:43
   Summary: It is highlighted that the responsibility for identifying related party relationships and transactions lies entirely with management.

4. **Risk Assessment Procedures**
   Timestamp: 01:27:52
   Summary: The lecture covers risk assessment procedures, emphasizing the need for auditors to understand the risk of material misstatement (RMM) related to related party transactions.

5. **Responses to Risk Assessment**
   Timestamp: 01:27:35
   Summary: Aarti Madam discusses how auditors should respond to the assessed risks, particularly focusing on management's methods for making estimates and whether these methods are appropriate.

6. **Substantive Audit Procedures**
   Timestamp: 01:39:42
   Summary: The need for auditors to perform substantive audit procedures for newly identified related parties is stressed, especially when management fails to identify them.

7. **Subsequent Events (SA 560)**
   Timestamp: 01:49:35
   Summary: Transitioning to SA 560, Aarti Madam explains the concept of subsequent events, which are events occurring after the balance sheet date but before the financial statements are approved.

8. **Adjusting vs. Non-Adjusting Events**
   Timestamp: 01:51:16
   Summary: The distinction between adjusting events (which provide additional evidence about conditions existing at the balance sheet date) and non-adjusting events (which do not) is clarified.

9. **Disclosure Requirements**
   Timestamp: 01:07:53
   Summary: The importance of adequate disclosures regarding estimation uncertainty and significant risks in financial statements is emphasized.

10. **Written Representations**
    Timestamp: 01:09:51
    Summary: The necessity for auditors to obtain written representations from management regarding estimates and disclosures is discussed.

11. **Identifying Related Parties**
    Timestamp: 01:39:35
    Summary: Aarti Madam elaborates on the procedures for identifying related parties, including reviewing records and documents to ensure all relationships are disclosed.

12. **Fraud Risk Considerations**
    Timestamp: 01:39:48
    Summary: The potential for fraud is highlighted, particularly when there is non-disclosure of related party transactions, which could impact audit procedures.

13. **Audit Reporting**
    Timestamp: 01:49:35
    Summary: The lecture discusses the requirements for audit reporting, including how to handle situations where management does not amend financial statements after discovering new information.

14. **Engagement Team Awareness**
    Timestamp: 01:29:16
    Summary: The importance of sharing related party information with all members of the audit engagement team is stressed to ensure comprehensive understanding and vigilance.

15. **Conclusion of SA 550 Discussion**
    Timestamp: 01:49:35
    Summary: The lecture concludes with a summary of the key points discussed regarding SA 550 and transitions to the next topic, SA 560.

Lecture 17

Overview

The main theme of the lecture revolves around the auditing standards, particularly focusing on the concept of "going concern" as outlined in SA 570. The purpose is to educate auditors on their responsibilities regarding the assessment of an entity's ability to continue its operations for the foreseeable future, typically defined as not exceeding one year after the balance sheet date. The lecture emphasizes the importance of obtaining sufficient appropriate audit evidence related to management's use of the going concern assumption in financial statements. It also discusses the implications of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern, and the necessary audit procedures to address such situations.

Timestamps

1. **Audit Procedures for Subsequent Events**
Timestamp: (00:29:39)
Discussed the importance of reviewing the latest financial statements, minutes of meetings, and legal cases to identify subsequent events that may affect the entity's ability to continue as a going concern.

2. **Principal Auditor's Documentation**
Timestamp: (01:57:31)
Emphasized the need for the principal auditor to document discussions with other auditors and how they dealt with any qualifications or adverse remarks in the other auditor's report.

3. **Going Concern Assumption**
Timestamp: (00:12:23)
Explained the auditor's responsibility to assess the appropriateness of management's use of the going concern assumption and to identify any material uncertainties that may cast doubt on the entity's ability to continue.

4. **Risk Assessment Procedures**
Timestamp: (00:26:09)
Highlighted the necessity for auditors to perform risk assessment procedures regarding the going concern assumption, including inquiries about management's plans.

5. **Additional Audit Procedures**
Timestamp: (00:32:53)
Outlined additional audit procedures required when significant doubt exists about the entity's ability to continue as a going concern, including evaluating management's plans and forecasts.

6. **Implications for Audit Reports**
Timestamp: (00:42:01)
Discussed how the auditor's conclusions regarding going concern can lead to different types of

opinions in the audit report, including unmodified opinions with a material uncertainty paragraph.

7. **Coordination Between Auditors**
Timestamp: (01:29:13)
Stressed the importance of coordination between the principal auditor and other auditors, ensuring effective communication and collaboration during the audit process.

8. **Written Representations from Management**
Timestamp: (01:28:16)
Explained that written representations from management are used as corroborative evidence and should be consistent with other audit evidence.

9. **Indicators of Financial Trouble**
Timestamp: (00:51:11)
Identified various financial indicators that suggest an entity may be in trouble, such as negative cash flows, reliance on short-term borrowing, and significant operating losses.

10. **Management's Plans for Future Actions**
Timestamp: (00:39:19)
Discussed the auditor's need to evaluate the feasibility of management's plans for future actions to address going concern issues.

11. **Material Uncertainty and Disclosure**
Timestamp: (01:01:50)
Clarified that if there is a material uncertainty regarding going concern, the auditor must check for adequate disclosures in the financial statements.

12. **Non-compliance with Laws and Regulations**
Timestamp: (00:22:01)
Highlighted that non-compliance with laws and regulations can be an indicator of going concern issues and may require the auditor to express a qualified or adverse opinion.

13. **Events or Conditions Affecting Going Concern**
Timestamp: (00:40:54)
Discussed specific events or conditions that could cast significant doubt on the entity's ability to continue, such as pending litigation or loss of major customers.

14. **Management's Unwillingness to Assess Going Concern**
Timestamp: (00:49:03)
Addressed the implications of management's unwillingness to perform a going concern assessment, which could lead to limitations on the scope of the audit.

15. **Case Studies on Going Concern**
Timestamp: (00:54:04)
Provided examples of case studies where auditors must identify situations related to going concern and determine the appropriate audit opinion based on the circumstances.

Lecture 18

Overview

The lecture primarily focuses on the evaluation of the internal audit function, specifically addressing the objectivity and competence of internal auditors and external experts. It emphasizes the importance of assessing potential threats to objectivity, which can arise from various factors such as organizational status, personal relationships, and financial interests. The purpose of the lecture is to guide auditors on how to effectively utilize the work of internal auditors and external experts while ensuring that the integrity of the audit process is maintained. This includes determining when to rely on internal audit work, evaluating its adequacy, and understanding the necessary safeguards to uphold objectivity.

Timestamps

1. **Evaluation of Internal Auditor's Objectivity**
   Timestamp: [00:30:14]
   Summary: The importance of evaluating the objectivity and competence of internal auditors is discussed, focusing on factors like organizational status and personal relationships that may threaten their independence.

2. **Factors Affecting Objectivity**
   Timestamp: [00:31:23]
   Summary: Key factors affecting the objectivity of internal auditors include their organizational status, family and personal relationships, and significant financial interests.

3. **Use of Management's Experts**
   Timestamp: [01:10:52]
   Summary: The lecture emphasizes the need to assess the nature, scope, and objective of management's experts when they are used in audits, including whether they are employed by the entity or are third-party experts.

4. **Risk Assessment**
   Timestamp: [01:13:02]
   Summary: The nature of the matter and the risk of material misstatement (RMM) are critical in determining the extent of audit procedures required.

5. **Significance of Expert's Work**
   Timestamp: [01:13:21]
   Summary: The significance of the expert's work and the auditor's knowledge and experience in the relevant field are crucial for deciding the nature and extent of audit procedures.

6. **Direct Assistance from Internal Auditors**
   Timestamp: [00:17:03]
   Summary: Conditions under which external auditors can take direct assistance from internal auditors are outlined, emphasizing the need for agreements and the evaluation of objectivity and competence.

7. **Judgment and RMM**
   Timestamp: [00:33:06]
   Summary: External auditors must consider significant judgments and higher assessed RMM when deciding whether to use internal auditors for direct assistance.

8. **Communication of Audit Plans**
   Timestamp: [00:26:00]
   Summary: External auditors are required to communicate their plans regarding the use of internal auditors' work to ensure transparency and coordination.

9. **Adequacy of Internal Audit Work**
   Timestamp: [00:10:14]
   Summary: The adequacy of the internal auditor's work must be evaluated to ensure it is properly planned, performed, supervised, and documented.

10. **Expert's Competence and Objectivity**
    Timestamp: [01:18:09]
    Summary: The competence, capability, and objectivity of the auditor's expert must be assessed, including inquiries about any relationships that may affect their objectivity.

11. **Written Representation from Experts**
    Timestamp: [01:27:18]
    Summary: In some cases, auditors may require written representations from external experts regarding any interests or relationships that could affect their objectivity.

12. **Nature and Scope of Work**
    Timestamp: [01:27:32]
    Summary: The auditor must understand the nature, scope, and objectives of the work performed by the expert to evaluate its adequacy.

13. **Evaluating Expert's Work**
    Timestamp: [01:28:02]
    Summary: The adequacy of the expert's work is evaluated by checking the consistency of findings with other audit evidence and the relevance of assumptions and methods used.

14. **Confidentiality Requirements**
    Timestamp: [01:26:43]
    Summary: The need for experts to observe confidentiality requirements when handling sensitive client information is emphasized.

15. **Final Evaluation of Expert's Work**
    Timestamp: [01:39:51]
    Summary: The final evaluation involves checking whether the expert's conclusions are consistent with the audit evidence and whether the assumptions and methods used are reasonable.

Lecture 19

Overview

The lecture primarily focuses on the standards and practices related to auditing financial statements, particularly emphasizing the auditor's role in forming opinions and reporting. It discusses the essential elements of an audit report, including the title, addressee, opinion, basis for opinion, going concern, key audit matters, and the responsibilities of management and auditors. The purpose of the lecture is to provide a comprehensive understanding of the auditing process, the importance of professional judgment, and the communication of key audit matters in the auditor's report. It highlights the evolving standards in auditing, such as the introduction of key audit matters, and the necessity for auditors to maintain professional skepticism and to consider both quantitative and qualitative aspects of financial reporting.

Timestamps

1. **Introduction to Key Audit Matters (KAM)**
   Timestamp: 01:05:34
   The lecture begins with an explanation of what constitutes key audit matters, emphasizing their significance in the audit of financial statements.

2. **Definition of KAM**
   Timestamp: 01:09:02
   Key audit matters are defined as those matters that, in the auditor's professional judgment, are of most significance in the audit of the financial statements for the current period.

3. **Communication of KAM**
   Timestamp: 01:05:40
   The importance of communicating key audit matters in the independent auditor's report is highlighted, marking a shift from previous practices where such matters were not explicitly reported.

4. **Selection of KAM**
   Timestamp: 01:10:25
   It is explained that key audit matters are selected from the matters communicated to those charged with governance (TCWG), but not all matters communicated are considered key audit matters.

5. **Circumstances for Non-Communication**
   Timestamp: 01:14:14
   The lecture discusses circumstances under which key audit matters may not be communicated, such as legal restrictions or when the adverse consequences of disclosure outweigh public interest.

6. **Reliance Industries Case Study**
   Timestamp: 01:12:24
   Aarti Madam introduces a case study involving Reliance Industries Ltd., illustrating how key audit matters are identified and reported in practice.

7. **Contingent Liabilities as KAM**
   Timestamp: 01:08:14
   The discussion includes contingent liabilities as a key audit matter, detailing why it is significant and how it was addressed during the audit.

8. **Audit Procedures for KAM**
   Timestamp: 01:08:36
   The lecture outlines specific audit procedures performed to address key audit matters, including discussions with management and inquiries with legal counsel.

9. **Fair Valuation of Investments**
   Timestamp: 01:09:40
   Another key audit matter discussed is the fair valuation of investments, including the rationale for its significance and the audit procedures involved.

10. **IT Systems and Controls**
    Timestamp: 01:05:34
    The importance of IT systems and controls over financial reporting is presented as a key audit matter, emphasizing the auditor's reliance on these systems.

11. **Professional Judgment in Auditing**
    Timestamp: 01:04:02
    Aarti Madam emphasizes that forming an opinion on financial statements is an art that requires professional judgment and skepticism throughout the audit process.

12. **Going Concern Assessment**
    Timestamp: 00:39:01
    The lecture covers the auditor's responsibility to assess the going concern assumption, including the implications of material uncertainties.

13. **Management's Responsibilities**
    Timestamp: 00:40:33
    The responsibilities of management in preparing financial statements are discussed, highlighting the importance of accurate disclosures and compliance with accounting standards.

14. **Modifications to Audit Opinions**
    Timestamp: 01:05:03
    The lecture touches on situations where auditors may need to modify their opinions, including qualified, adverse, or disclaimer opinions.

15. **Reporting Under Companies Act**
    Timestamp: 00:03:22
    The final moments of the lecture address the reporting requirements under the Companies Act, including additional matters specified by the central government.

Lecture 20

Overview

The main theme of the lecture revolves around the communication of key audit matters (KAM) in the independent auditor's report, specifically focusing on the standards set by SA 701. The purpose of this communication is to enhance the transparency and communicative value of the audit report. By detailing the key audit matters, the auditor assists users in understanding significant issues that required professional judgment during the audit process. This includes providing insights into areas of significant management judgment and the overall context of the entity being audited. The lecture emphasizes the importance of KAM in improving the understanding of the audit report for stakeholders, thereby fostering greater trust and clarity in financial reporting.

Timestamps

1. **Definition of Key Audit Matters (KAM)**:
   Timestamp: **[00:01:10]**
   KAMs are defined as matters that, in the auditor's professional judgment, are of most significance in the audit of the financial statements for the current period

2. **Criteria for KAM Identification**:
   Timestamp: **[00:01:30]**
   KAMs are identified based on higher assessed risks of material misstatement (RMM), significant auditor judgment, and significant events or transactions during the audit period.

3. **Not a Substitute for Disclosures**:
   Timestamp: **[00:05:05]**
   KAMs are not a substitute for disclosures required by accounting frameworks or for modifications of opinion.

4. **Communication of KAMs**:
   Timestamp: **[00:05:25]**
   The lecture emphasizes that KAMs should be communicated in the auditor's report to enhance transparency and provide insights into significant matters.

5. **Examples of KAMs**:
   Timestamp: **[00:07:26]**
   Examples include impairment of assets, revenue recognition, and provisions for losses, which require significant judgment.

6. **Placement of KAMs in Audit Reports**:
   Timestamp: **[00:11:43]**
   KAMs should be placed after the basis for opinion paragraph and before the management's responsibility paragraph in the audit report.

7. **Determining KAMs**:
   Timestamp: **[00:09:10]**
   The determination of KAMs involves assessing the significance of matters discussed with those charged with governance (TCWG).

8. **Circumstances for Non-Communication**:
   Timestamp: **[00:06:14]**
   KAMs may not be communicated if law or regulation precludes disclosure, or if the adverse consequences of disclosure outweigh public interest benefits.

9. **Auditor's Responsibilities**:
   Timestamp: **[00:11:50]**
   The auditor must ensure that KAMs are accurately described, including why they are significant and how they were addressed.

10. **Impact of KAMs on Audit Reports**:
    Timestamp: **[00:15:00]**
    KAMs enhance the communicative value of the audit report, providing users with a better understanding of the audit process and significant judgments made by the auditor.

11. **Resignation of Auditors**:
    Timestamp: **[01:24:12]**
    The lecture discusses the ethical considerations and requirements for auditors who resign, including completing audits for certain periods.

12. **Material Uncertainty Related to Going Concern**:
    Timestamp: **[00:55:19]**
    The discussion includes how KAMs relate to going concern assessments and the importance of adequate disclosures.

13. **Examples of Audit Procedures**:
    Timestamp: **[00:11:43]**
    The lecture outlines specific audit procedures that may be performed in relation to KAMs, enhancing the understanding of the audit process.

14. **KAMs in Different Opinion Scenarios**:
    Timestamp: **[00:39:05]**
    The treatment of KAMs varies depending on whether the audit opinion is unmodified, qualified, or adverse.

15. **Final Thoughts on KAMs**:
    Timestamp: **[00:15:00]**
    The conclusion emphasizes the importance of KAMs in providing transparency and understanding to users of the financial statements.

Lecture 21

Overview

The lecture primarily focuses on the concepts of "Key Audit Matters" (KAM) and "Emphasis of Matter" (EOM) in the context of auditing standards. It aims to clarify the distinctions between these two types of communication in an auditor's report, emphasizing their significance in enhancing the understanding of financial statements for users. The purpose is to guide auditors on how to effectively communicate matters that are fundamental to users' understanding and to apply professional judgment in determining the relevance and importance of various audit matters. The lecture also discusses the implications of overusing these terms and the necessity of maintaining clarity and effectiveness in auditor communications.

Timestamps

1. **Audit Report Review**
   (Timestamp: 00:51:24)
   The auditor reviews the prior year's audit report to check for any previously reported misstatements.

2. **SA560 Compliance**
   (Timestamp: 00:51:49)
   If a misstatement is discovered that was not reported in the previous year, the auditor must follow SA560, which addresses facts known after the audit report date.

3. **Written Representations**
   (Timestamp: 00:52:25)
   The auditor is required to obtain written representations from management regarding prior period items that may affect the current year.

4. **Audit Procedures under SA710**
   (Timestamp: 00:52:46)
   The lecture outlines four specific audit procedures under SA710, including agreeing current balances with prior period financial statements.

5. **Management's Refusal to Correct**
   (Timestamp: 00:51:33)
   The auditor must communicate with those charged with governance (TCWG) if management refuses to correct a misstatement.

6. **Key Audit Matters (KAM)**
   (Timestamp: 00:18:52)
   KAMs are not substitutes for disclosures required by accounting frameworks or for modified opinions.

7. **Emphasis of Matter vs. KAM**
   (Timestamp: 00:19:10)
   The distinction between emphasis of matter and KAM is clarified, noting that both can be used for significant issues but serve different purposes.

8. **Placement of Emphasis and Other Matters**
   (Timestamp: 00:41:29)

There is no fixed location for the emphasis of matter and other matter paragraphs in the audit report; their placement depends on the nature of the information.

9. **Material Misstatement of Other Information**
   (Timestamp: 01:25:16)
   The auditor must assess whether there is a material misstatement in other information and respond accordingly.

10. **Management's Agreement to Corrections**
    (Timestamp: 00:51:39)
    If management agrees to make corrections, the auditor must verify that the corrections have been made.

11. **Uncorrected Material Misstatements**
    (Timestamp: 01:18:25)
    The auditor must consider the implications of uncorrected material misstatements on the audit report.

12. **Professional Judgment**
    (Timestamp: 00:34:30)
    The auditor is encouraged to apply professional judgment when determining whether a matter should be classified as a KAM or an emphasis of matter.

13. **Reporting on Other Information**
    (Timestamp: 01:30:39)
    The auditor's responsibilities regarding other information in the audit report are discussed, emphasizing the need for clarity and accuracy.

14. **Legal Rights and Obligations**
    (Timestamp: 01:35:01)
    The auditor must consider their legal rights and obligations when addressing uncorrected material misstatements.

15. **Final Elements of the Audit Report** (
    Timestamp: 01:42:30)
    The lecture concludes with a summary of the various elements that should be included in the audit report, including opinions, KAMs, and other relevant disclosures.

Lecture 22

Overview

The lecture primarily focuses on the reporting responsibilities of auditors under the Companies Act 2013 and the 21 clauses of the Companies (Auditor's Report) Order 2020 (CARO 2020). It emphasizes the auditor's duty to express an opinion on the true and fair view of financial statements while also addressing additional reporting obligations mandated by law. The discussion includes detailed explanations of the inquiry and reporting duties specified in sections 143.1 and 143.3 of the Companies Act, as well as the implications of CARO 2020 for auditors. The purpose of the lecture is to equip students with a comprehensive understanding of these reporting requirements, ensuring they are prepared for practical applications in auditing scenarios.

Timestamps

1. **Introduction to Reporting Under Companies Act 2013**
   Timestamp: 00:05:35
   Aarti Madam outlines the auditor's primary responsibility to express an opinion on the true and fair view of financial statements, alongside additional reporting duties mandated by the Companies Act 2013.

2. **Duty of Inquiry and Reporting**
   Timestamp: 00:05:46
   The lecture discusses the auditor's duty to inquire, highlighting six points of inquiry under Section 143(1) and ten points of reporting under Section 143(3).

3. **Distinction Between Inquiry and Reporting**
   Timestamp: 00:06:06
   A key distinction is made between the duties of inquiry (reporting only if there is an adverse finding) and the duties of reporting (mandatory regardless of findings).

4. **Overview of CARO 2020**
   Timestamp: 01:21:54
   Aarti Madam introduces CARO 2020, which includes 21 clauses that auditors must report on, emphasizing the importance of compliance with these regulations.

5. **Fraud Reporting Requirements**
   Timestamp: 00:52:05
   The lecture details the auditor's responsibilities in reporting fraud, including the process of reporting to the central government if fraud is detected.

6. **Understanding Clause 1 of CARO**
   Timestamp: 01:29:06
   The first clause of CARO pertains to the maintenance of proper records for property, plant, and equipment (PPE), including verification and ownership.

7. **Inventory and Working Capital**
   Timestamp: 01:29:21

The second clause addresses inventory and working capital, emphasizing the need for proper management and reporting.

8. **Related Party Transactions**
   Timestamp: 01:30:13
   The lecture discusses the importance of disclosing related party transactions under CARO, which is crucial for transparency.

9. **Internal Audit Requirements**
   Timestamp: 01:31:10
   Clause 14 of CARO focuses on the necessity of conducting internal audits, which are essential for maintaining financial integrity.

10. **Non-Cash Transactions**
    Timestamp: 01:31:24
    Aarti Madam highlights the significance of reporting non-cash transactions and the requirement for registration with the RBI.

11. **Material Uncertainty Reporting**
    Timestamp: 01:27:45
    The discussion includes the auditor's duty to report material uncertainties regarding a company's ability to meet its liabilities.

12. **Corporate Social Responsibility (CSR) Reporting**
    Timestamp: 01:28:04
    The lecture emphasizes the importance of CSR disclosures as part of the auditor's reporting obligations under CARO.

13. **Resignation of Auditors**
    Timestamp: 01:31:35
    The implications of auditor resignations are discussed, particularly how they must be reported under CARO.

14. **Cash Losses Reporting**
    Timestamp: 01:31:40
    The necessity of reporting cash losses is highlighted, which is critical for assessing a company's financial health.

15. **Conclusion and Recap**
    Timestamp: 02:01:41
    The lecture concludes with a recap of the key points discussed, reinforcing the auditor's responsibilities under the Companies Act and CARO 2020.

Lecture 23

Overview

The lecture primarily focuses on the auditing process as outlined in the Companies Act and the specific clauses of the Companies (Auditor's Report) Order (CARO). It emphasizes the auditor's responsibilities in evaluating compliance with various regulations, including the examination of internal controls, cost records, public deposits, and the application of loans. The purpose of the lecture is to equip auditors with the necessary knowledge and procedures to effectively assess a company's adherence to statutory requirements, ensuring that financial statements are accurate and reliable. Key themes include the importance of thorough documentation, the need for compliance checks, and the auditor's role in identifying and reporting discrepancies or non-compliance issues.

Timestamps

1. **Introduction to SA 550**
   Timestamp: 01:34:00
   The lecture begins with a discussion on SA 550, focusing on related party relationships and the importance of compliance with sections 177 and 188 of the Companies Act 2013.

2. **Compliance with Accounting Standards**
   Timestamp: 01:36:14
   Aarti Madam emphasizes the need for transactions with related parties to comply with applicable accounting standards, specifically AS 18 and Ind AS 24.

3. **Audit Procedures for Related Parties**
   Timestamp: 01:35:29
   The discussion includes audit procedures to identify related parties, including checking records and documents to ensure compliance.

4. **Clause 9 of CARO**
   Timestamp: 01:05:00
   Aarti Madam

5. explains Clause 9 of CARO, which addresses the repayment of loans and borrowings, detailing the requirements for reporting defaults and the purpose of loans.

6. **Use of Short-Term Funds**
   Timestamp: 01:06:10
   The importance of ensuring that short-term funds are not used for long-term purposes is highlighted, as this can lead to liquidity issues.

7. **Undisclosed Income**
   Timestamp: 00:50:40
   Aarti Madam discusses Clause 8 of CARO, focusing on the need to report any undisclosed income and the procedures for verifying such income.

8. **Whistleblower Complaints**
   Timestamp: 01:16:00
   The importance of considering whistleblower complaints during audits is emphasized, particularly in relation to fraud detection.

9. **Nidhi Company Regulations**
   Timestamp: 00:12:00
   The lecture covers the specific requirements for Nidhi companies, including the ratio of net owned funds to deposits and the need for unencumbered term deposits.

10. **Fraud Reporting**
    Timestamp: 01:10:00
    Aarti Madam outlines the auditor's responsibilities regarding fraud, including the need to report any fraud to the central government.

11. **Loans to Related Parties**
    Timestamp: 00:20:50
    The discussion includes the reporting requirements for loans given to promoters and related parties, ensuring compliance with the Companies Act.

12. **Physical Verification of Inventory**
    Timestamp: 00:04:00
    The importance of physical verification of inventory and the auditor's role in assessing the adequacy of this process is discussed.

13. **Public Deposits Compliance**
    Timestamp: 00:30:00
    Aarti Madam explains the compliance requirements for public deposits, including the need to adhere to RBI directives and the Companies Act.

14. **Cost Records Maintenance**
    Timestamp: 00:32:44
    The necessity for companies to maintain cost records as prescribed by the central government is highlighted, along with the auditor's responsibilities in this area.

15. **Materiality in Auditing**
    Timestamp: 00:12:00
    The lecture touches on the concept of materiality in auditing, particularly in relation to fraud and financial reporting.

16. **Conclusion and Summary of CARO Clauses**
    Timestamp: 01:18:00
    The session concludes with a summary of the various clauses of CARO, emphasizing the auditor's responsibilities and the importance of compliance.

Lecture 24

Overview

The lecture primarily focuses on the auditing standards related to financial statements prepared under a Special Purpose Framework (SPF). It discusses the specific considerations auditors must take into account when engaging with such frameworks, particularly the requirements of SA 800, SA 805, and SA 810. The purpose of the lecture is to equip auditors with the knowledge to assess the acceptability of the Applicable Financial Reporting Framework (AFRF), understand the needs of intended users, and effectively form opinions and report findings based on these specialized standards. Key topics include the acceptance, planning, performing, and reporting processes involved in audits of financial statements tailored for specific users, emphasizing the importance of adequate disclosures and the auditor's responsibilities in these contexts.

Timestamps

1. **Introduction to Special Purpose Frameworks**
   Timestamp: 00:24:20
   The lecture begins with an overview of special purpose frameworks and their significance in auditing, specifically referencing SA 800, SA 805, and SA 810.

2. **Acceptance, Planning, Performing, and Reporting (APR)**
   Timestamp: 00:24:31
   Aarti Madam emphasizes the importance of the APR process in auditing, which includes acceptance of the engagement, planning, performing the audit, and reporting the findings.

3. **Understanding Special Purpose Financial Statements (SPFS)**
   Timestamp: 00:25:11
   The discussion covers what constitutes special purpose financial statements and the auditor's role in evaluating their acceptability.

4. **Key Audit Matters (KAM)**
   Timestamp: 01:03:45
   The lecture highlights that key audit matters should be communicated in the audit report of special purpose financial statements only when required by law or regulation.

5. **Engagement Acceptance Procedures**
   Timestamp: 00:25:34
   Aarti Madam outlines the procedures necessary for accepting an engagement to report on summary financial statements, including understanding the purpose and intended users.

6. **Materiality Considerations**
   Timestamp: 01:07:32
   The importance of materiality in the context of special purpose financial statements is discussed, emphasizing that auditors must consider the specific needs of intended users.

7. **Reporting Requirements**
   Timestamp: 01:08:12
   The lecture details the specific reporting requirements for auditors when dealing with special purpose frameworks, including the need for adequate disclosures.

8. **Emphasis of Matter Paragraph**
   Timestamp: 01:06:30
   Aarti Madam explains how to structure the emphasis of matter paragraph in the auditor's report, including alerts regarding the suitability of the financial statements for other purposes.

9. **Implications of Audit Reports**
   Timestamp: 01:59:30
   The implications of the audit report on complete financial statements are discussed, particularly how modifications in one report may affect another.

10. **Considerations for Planning and Performing Audits**
    Timestamp: 01:01:25
    The lecture emphasizes the need for auditors to adapt their procedures based on the specific circumstances of the engagement, especially in special purpose audits.

11. **Understanding the Entity**
    Timestamp: 00:58:52
    The importance of understanding the entity being audited, including its environment and internal controls, is highlighted as a critical step in the audit process.

12. **Going Concern Considerations**
    Timestamp: 01:07:40
    Aarti Madam discusses the auditor's responsibility to assess the going concern assumption in the context of special purpose financial statements.

13. **Communication with Those Charged with Governance (TCWG)**
    Timestamp: 00:57:34
    The role of TCWG in overseeing the preparation of financial statements is addressed, noting that their oversight may differ between general and special purpose financial statements.

14. **Adaptation of Standards**
    Timestamp: 01:01:25
    The necessity for auditors to adapt auditing standards based on the specific requirements of special purpose frameworks is discussed, emphasizing flexibility in applying standards.

15. **Final Thoughts on Reporting**
    Timestamp: 01:56:01
    The lecture concludes with a summary of the key points regarding forming opinions and reporting on special purpose financial statements, reiterating the importance of clear communication and adequate disclosures.

Lecture 25

Overview

The main theme of the lecture revolves around the procedures and principles involved in conducting a review engagement, particularly focusing on the inquiry and analytical procedures. The purpose is to provide practitioners with a clear understanding of how to obtain sufficient appropriate evidence to form a basis for conclusions regarding financial statements, emphasizing the limited assurance provided through these methods. The lecture highlights the importance of addressing all material items and focusing on areas with a likelihood of material misstatement, thereby ensuring that the financial statements are prepared in accordance with applicable financial reporting frameworks.

Timestamps

1. **Introduction to SA 810**
   Timestamp: [00:10:42]
   Overview of SA 810, which deals with the auditor's responsibilities when reporting on summary financial statements derived from audited financial statements.
2. **Same Auditor Requirement**
   Timestamp: [00:11:53]
   Emphasis that only the auditor who conducted the audit can report on the summary financial statements, ensuring they have the necessary knowledge.
3. **Definition of Summary Financial Statements**
   Timestamp: [00:11:05]
   Summary financial statements are defined as containing less detail than full financial statements but still providing a structured representation of the entity's financial position.
4. **Management's Responsibilities**
   Timestamp: [00:26:28]
   Management is responsible for preparing summary financial statements in accordance with the applied criteria and ensuring that audited financial statements are available without undue difficulty.
5. **Acceptance Criteria**
   Timestamp: [00:26:04]
   Acceptance of the engagement involves agreeing on the form of opinion to be expressed, the acceptability of the applied criteria, and management's responsibilities.
6. **Nature of Procedures**
   Timestamp: [00:27:06]
   Discussion on the nature of procedures required for the engagement, focusing on checking whether the summary financial statements adequately disclose their summarized nature.

7. **Disclosure Requirements**
   Timestamp: [00:40:31]
   Summary financial statements must clearly disclose their summarized nature, such as being labeled as "summarized" or "condensed".

8. **Procedures for Reporting**
   Timestamp: [00:39:54]
   Specific procedures the auditor must perform include inquiries and analytical procedures to obtain sufficient appropriate evidence.

9. **Limited Assurance Concept**
   Timestamp: [01:25:35]
   Introduction of the concept of limited assurance, indicating that the auditor does not express an audit opinion but rather a conclusion based on the review.

10. **Subsequent Events**
    Timestamp: [00:38:45]
    Clarification that summary financial statements do not reflect events that occur after the date of the audit report on the audited financial statements.

11. **Documentation Requirements**
    Timestamp: [02:12:37]
    Importance of maintaining adequate documentation of procedures performed, evidence obtained, and conclusions reached is emphasized.

12. **Modified Conclusions**
    Timestamp: [01:54:03]
    Process for forming modified conclusions is discussed, particularly when there are uncorrected misstatements.

13. **Practitioner's Report Contents**
    Timestamp: [00:40:46]
    Outlining the contents of the practitioner's report, including the title, addressee, and the opinion expressed.

14. **Ethical Requirements**
    Timestamp: [01:28:10]
    Necessity for compliance with ethical requirements, including independence, is highlighted as a critical aspect of the engagement.

15. **Final Thoughts on Engagement**
    Timestamp: [02:12:09]
    Discussion on the auditor's responsibility to communicate any issues with management regarding the summary financial statements and the importance of clarity in reporting.

Lecture 26

Overview

The lecture primarily focuses on the responsibilities and procedures associated with service auditors, particularly in the context of the SAE 3402 standard. It emphasizes the auditor's role in expressing opinions on the design and operating effectiveness of controls within service organizations. The purpose is to provide a comprehensive understanding of how auditors assess and report on the adequacy of controls, ensuring they are suitably designed and operate effectively over time. The discussion includes the distinction between Type 1 and Type 2 reports, the importance of understanding the entity's environment, and the necessity of updating this understanding during audits. Overall, the lecture aims to equip auditors with the knowledge to perform their duties effectively while adhering to ethical standards and regulatory requirements.

Timestamps

1.Service Auditor's Responsibility (01:48:32):

The service auditor is responsible for expressing an opinion on the description, design, and operating effectiveness of controls as per the standards set in 3402.

2.Engagement Compliance (01:48:47):

The engagement must comply with ethical requirements and provide reasonable assurance regarding the fair presentation of the description and the suitability of control designs.

3.Type 1 vs. Type 2 Reports (01:49:51):

The lecture distinguishes between Type 1 reports (assessing the design of controls at a specific point in time) and Type 2 reports (assessing the operating effectiveness of those controls over a period).

4.Negative Assurance (01:49:01):

The concept of negative assurance is introduced, indicating that nothing has come to the auditor's attention that would suggest the assumptions do not provide a reasonable basis.

5.Caveats in Reporting (01:49:44):

The importance of including caveats in reports is emphasized, warning users that outcomes may vary and could be materially different from what is presented.

6.Management's Responsibility (01:58:03):

Management must provide all relevant information to the service auditor, including any non-compliance with laws or regulations, fraud, and design deficiencies.

7.Subsequent Events (01:59:50):

Auditors should inquire about events that occur after the reporting period but before the report is issued, as these may significantly affect the auditor's conclusions.

8.Understanding the Entity and Environment (00:06:21):

The auditor must update their understanding of the entity and its environment, including internal controls, especially when transitioning from an audit to a review.

9.Inquiries and Analytical Procedures (01:57:57):

The need for inquiries and analytical procedures to assess the risk of material misstatement is discussed.

10.Communication with Those Charged with Governance (TCWG) (01:49:56):

The auditor must communicate any material misstatements or adjustments to management and TCWG, especially if management does not respond appropriately.

11.Management Representations (01:58:37):

Written representations from management are crucial, confirming their responsibility for the financial statements and any uncorrected misstatements.

12.Limitations on Scope (00:43:19):

If management imposes limitations on the scope of the audit, the auditor must request the removal of these limitations and consider the implications if they are not removed.

13.Risk Assessment (01:49:10):

The auditor must assess risks related to fraud and non-compliance with laws and regulations, which may affect the financial statements.

14.Use of Analytical Procedures (01:57:57):

The importance of analytical procedures in identifying unusual relationships and items during the audit process is highlighted.

15.Assurance Engagements (01:38:45):

The lecture concludes with a discussion on the differences between assurance engagements, audits, and reviews, emphasizing the varying levels of assurance provided.

Lecture 27

Overview

The main theme of the lecture revolves around the nature and purpose of compilation engagements, specifically focusing on the compilation of pro forma financial information (PFFI) as per the relevant standards. It emphasizes that such engagements are neither audits nor reviews, and therefore, no assurance or opinion is expressed. The purpose of these engagements is to assist management in preparing financial information that illustrates the impact of significant events or transactions on unadjusted financial data, ensuring compliance with applicable criteria.

The lecture outlines the steps involved in the engagement process, including engagement acceptance, planning, performing the procedures, and reporting findings. It highlights the importance of identifying the financial information to be compiled, the nature, timing, and extent of the procedures to be applied, and the limitations on the distribution of the report. The discussion also covers the responsibilities of both the practitioner and the management in ensuring that the compiled information is accurate and complies with the applicable financial reporting framework.

Timestamps

1.Nature of Engagement
(Timestamp: 01:11:37)

The engagement is clarified as neither an audit nor a review, and no assurance will be expressed.

2.Purpose of Engagement
(Timestamp: 01:12:04)

The purpose of the engagement is discussed, emphasizing that it is to compile financial information.

3.Identification of Financial Information
(Timestamp: 01:12:26)

It is crucial to identify the specific financial information on which the agreed-upon procedures will be applied.

4.Procedures to be Applied
(Timestamp: 01:12:43)

The nature, timing, and extent of the procedures to be applied must be clearly defined.

5.Limitation on Distribution
(Timestamp: 01:12:54)

There are restrictions on the distribution of the report, which must be communicated to the parties involved.

6.Management's Responsibilities
(Timestamp: 01:13:03)

Management is responsible for compiling the financial information and ensuring it is in accordance with the applicable financial reporting framework (AFRF).

7.Practitioner's Responsibilities
(Timestamp: 01:13:46)

The practitioner must express an opinion on whether the financial information has been compiled in all material respects according to the applicable criteria.

8.Evidence Gathering
(Timestamp: 01:50:12)

The practitioner must obtain sufficient appropriate evidence regarding the pro forma adjustments and ensure they reflect the proper application of those adjustments.

9.Pro Forma Financial Information
(Timestamp: 00:38:10)

The lecture discusses the formula for pro forma financial information, which is unadjusted financial information plus pro forma adjustments.

10.Evaluation of Presentation
(Timestamp: 00:39:09)

The practitioner must evaluate the presentation of the pro forma financial information and identify any material inconsistencies in the accompanying prospectus.

11.Withdrawal from Engagement
(Timestamp: 01:44:09)

If management fails to provide necessary information, the practitioner must withdraw from the engagement and communicate the reasons for withdrawal.

12.Proposed Amendments
(Timestamp: 01:44:51)

If the compiled financial information is misleading or does not refer appropriately to the AFRF, the practitioner should propose amendments to management.

13.Written Representations
(Timestamp: 01:44:51)

The practitioner should obtain written representations from management acknowledging their responsibility for the final version of the compiled financial information.

14.Engagement Acceptance
(Timestamp: 01:24:39)

The practitioner must ensure that the terms of engagement are agreed upon, including the intended use and distribution of the information.

15.Final Report Preparation
(Timestamp: 01:51:21)

The final report must include the practitioner's opinion on whether the financial information has been compiled in accordance with the applicable criteria, along with necessary signatures and dates.

Lecture 28

Overview

The lecture primarily focuses on the integration of new technologies in the auditing process, emphasizing the transition to digital auditing. It highlights how advancements in technology can enhance data capture, automate processes, and improve information analysis, allowing auditors to concentrate on identifying real client risks rather than performing repetitive tasks. The purpose of the lecture is to educate auditors on the expectations and requirements for effectively conducting audits in a digital environment, including the necessity for technological literacy and the importance of understanding the IT landscape. It also discusses the advantages of digital auditing, such as increased efficiency, reduced human error, and improved audit quality, while addressing the challenges and considerations that come with these technological changes.

Timestamps

1.Introduction to Digital Auditing
Timestamp: 00:02:04
The lecture begins with an overview of digital auditing, emphasizing the importance of using technology to enhance audit efficiency and effectiveness.

2.Expectations from Auditors
Timestamp: 01:17:42
Auditors are expected to digitally upskill their teams, automate processes, and leverage advanced technologies like AI and drones to improve audit outcomes.

3.Advantages of Digital Auditing
Timestamp: 01:03:45
Aarti Madam outlines a "barrel full of advantages" of digital auditing, including better audit quality, improved analytics, enhanced risk assessment, increased efficiency, and cost reduction.

4.Emerging Technologies in Audit
Timestamp: 00:35:02
The discussion shifts to emerging technologies such as data analytics tools (e.g., Alteryx, Power BI) and their implications for auditing practices.

5.Understanding IT Environment
Timestamp: 00:25:34
A critical point is made about the need for auditors to understand the IT environment in which they operate, including identifying IT risks and dependencies.

6.Cyber Risks and Remote Auditing
Timestamp: 00:30:31
The lecture covers cyber risks, including types of cyber attacks (e.g., malware, phishing), and discusses the implications of remote auditing.

7.Control Considerations for Cyber Risks

Timestamp: 00:33:40
Aarti Madam emphasizes the importance of establishing control measures to mitigate cyber risks during audits.

8.Automation in Auditing
Timestamp: 01:14:30
The benefits of automation in auditing are highlighted, including time savings and the ability to focus on higher-risk areas rather than mechanical tasks.

9.Digital Audit Features
Timestamp: 01:22:10
Key features of digital audits are discussed, such as the ability to provide a comprehensive overview of processes and the standardization of audit procedures.

10.Impact of Technology on Auditing
Timestamp: 01:12:18
The lecture discusses how technology impacts the audit process, including new activities, risks, and the overall effectiveness of audits.

11.Next Generation Auditing
Timestamp: 01:13:43
The concept of next-generation auditing is introduced, focusing on how future audits will incorporate advanced technologies like AI and virtual reality.

12.Challenges in Digital Auditing
Timestamp: 01:17:42
Aarti Madam addresses the challenges auditors face in adapting to digital environments, including the need for continuous learning and technological literacy.

13.Improved Risk Assessment
Timestamp: 01:06:30
The importance of improved risk assessment through digital tools is emphasized, allowing auditors to identify and address potential issues more effectively.

14.Cost Efficiency
Timestamp: 01:05:15
The lecture concludes with a discussion on how digital auditing can lower costs while improving the quality and reliability of audit reports.

15.Future of Auditing
Timestamp: 01:02:04
The final moments of the lecture focus on the future of auditing, highlighting the need for auditors to embrace technological advancements to remain relevant in a rapidly changing environment.

Lecture 29

Overview

The lecture primarily focuses on the considerations and methodologies for conducting remote audits, especially in the context of evolving technology and cybersecurity risks. It outlines three main considerations: feasibility and planning, confidentiality and data protection, and risk assessment. The purpose is to equip auditors with the necessary frameworks and strategies to effectively perform audits remotely while ensuring data security and compliance with regulations. The discussion emphasizes the importance of planning, the use of secure communication platforms, and the need for thorough risk assessments to achieve audit objectives successfully.

Timestamps

1.Impact of Technology on Auditing
Timestamp: 01:20:51
Aarti Madam discusses how technology affects the auditor's risk assessment and the importance of understanding both direct and indirect effects of new technology on internal controls and financial reporting.

2.Key Steps for Auditors
Timestamp: 01:22:38
Four key steps for auditors in a changing technology environment are outlined: maintaining alertness during risk assessments, understanding technology's impact on transactions, assessing internal controls, and designing appropriate audit responses.

3.Remote Audit Considerations
Timestamp: 01:26:08
The need for clear and consistent risk assessments during remote audits is emphasized, highlighting the importance of communication and documentation among audit team members.

4.Advantages of Remote Audits
Timestamp: 01:27:20
Remote audits are likened to a "feast" as they allow auditors to gather firsthand evidence directly from systems, enhancing the quality of the audit.

5.Cybersecurity Framework
Timestamp: 01:12:03
A cybersecurity framework consisting of five steps: identify, protect, detect, respond, and recover is introduced, which auditors must consider in their assessments.

6.Emerging Technologies in Auditing
Timestamp: 01:36:22
Various emerging technologies such as data analytics, artificial intelligence, and blockchain are discussed, which are transforming the auditing process.

7.Data Analytics

Timestamp: 01:37:50
The definition and importance of data analytics in auditing are explained, emphasizing its role in generating meaningful insights from raw data.

8.AI and Decision Making
Timestamp: 01:58:29
The implications of artificial intelligence on management oversight and the potential new risks associated with its use are discussed.

9.Common Cybersecurity Risks
Timestamp: 01:00:27
Key risks associated with AI, including security vulnerabilities, inappropriate configurations, and data privacy concerns are identified.

10.Control Considerations for Cyber Risks
Timestamp: 01:14:24
The need for auditors to assess how cybersecurity risks affect control measures and the overall audit strategy is emphasized.

11.Types of Cyber Attacks
Timestamp: 01:00:31
Various types of cyber attacks, including denial of service attacks and identity-based attacks, are outlined as critical areas for auditors to monitor.

12.Feasibility and Planning for Remote Audits
Timestamp: 01:24:21
The importance of planning, including agreeing on timelines and platforms for remote audits, is highlighted.

13.Confidentiality and Data Protection
Timestamp: 01:25:05
Aarti Madam stresses the need for confidentiality and data protection measures during remote audits, including the use of secure communication channels.

14.Risk Assessment in Auditing
Timestamp: 01:23:59
The necessity of thorough risk assessments in the context of both traditional and emerging technologies is discussed.

15.Training and Upskilling
Timestamp: 01:15:18
The need for auditors to continuously upskill in emerging technologies and cybersecurity to effectively manage risks is emphasized.

Lecture 30

Overview

The main theme of the lecture revolves around the concept of the "Next Generation Audit" (NGA), which emphasizes a transformative approach to auditing that is human-led, technology-powered, and data-driven. The purpose of the lecture is to explore how advancements in technology, such as blockchain, artificial intelligence, and robotic process automation, are reshaping the auditing landscape. It highlights the shift from traditional sampling methods to full population analysis, the integration of various data sources into a cohesive ecosystem, and the importance of dynamic risk assessment. The lecture aims to prepare auditors for a future where they can leverage these technologies to enhance the quality and depth of audits, providing deeper insights and fostering growth through automation.

Timestamps

1.Introduction to Next Generation Audit (NGA):
Timestamp: 00:22:53
The NGA is characterized as human-led, tech-powered, and data-driven, emphasizing the importance of data in modern auditing practices.

2.Data as a Resource:
Timestamp: 00:23:22
Data is referred to as the "new oil," highlighting its critical role in driving insights and decision-making in audits.

3.Evolution of Audit Techniques:
Timestamp: 00:23:51
The lecture discusses a shift from sampling methods to full population analysis, indicating a move towards more comprehensive data analysis.

4.Integrated Ecosystem Services:
Timestamp: 00:24:00
Transitioning from using disconnected tools to an integrated ecosystem enhances the efficiency and effectiveness of audit processes.

5.Dynamic Data-Driven Risk Assessment:
Timestamp: 00:24:12
The importance of dynamic risk assessments that utilize real-time data is emphasized, allowing for more responsive auditing practices.

6.Automation in Auditing:
Timestamp: 00:24:25
Automation is highlighted as a key factor that allows auditors to focus on high-value tasks, improving overall productivity.

7.Deeper Insights from Broader Audits:
Timestamp: 00:24:33
The need for deeper insights derived from broader audit scopes is stressed, moving beyond ad hoc insights.

8.Common Risks in Robotic Process Automation (RPA):
Timestamp: 00:20:52
Discusses operational execution risk, change management risk, and RPA strategy risk as significant concerns in implementing RPA.

9.Understanding RPA Processes:
Timestamp: 00:19:11
Auditors must understand how data is extracted, aggregated, and cleansed in RPA to effectively conduct audits.

10.Audit Implications of RPA:
Timestamp: 00:20:01
The necessity for auditors to review source code and understand the tools used in RPA is highlighted as crucial for effective auditing.

11.Blockchain and Its Risks:
Timestamp: 00:12:09
The lecture covers the implications of blockchain technology in auditing, including risks related to data privacy and security.

12.Non-Fungible Tokens (NFTs):
Timestamp: 00:10:08
NFTs are explained as unique digital assets secured by blockchain, with implications for ownership and copyright.

13.Consolidation in Auditing:
Timestamp: 00:56:18
Discusses the responsibilities of auditors in ensuring all subsidiaries and joint ventures are included in consolidated financial statements.

14.Audit Considerations for Consolidation:
Timestamp: 00:58:43
Emphasizes the importance of understanding the completeness of components in consolidated financial statements.

15.Future of Auditing Technologies:
Timestamp: 00:26:14
The lecture concludes with a discussion on the rapid advancement of technologies such as augmented reality, virtual reality, and their potential applications in auditing.

Lecture 31

Overview

The lecture primarily focuses on the audit of banks, outlining its unique features, regulatory frameworks, and the specific steps involved in conducting a bank audit. It emphasizes understanding the internal control systems, the IT environment, and compliance with statutory requirements such as the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The purpose of the lecture is to equip auditors with the necessary knowledge and skills to effectively evaluate the financial statements and operational integrity of banking institutions, ensuring adherence to relevant laws and regulations. Key topics include the verification of assets and liabilities, audit procedures for contingent liabilities, and the role of concurrent audits in maintaining financial oversight.

Timestamps

1.Introduction to Bank Audit
Timestamp: 01:04:54
The lecture begins with an overview of the bank audit, highlighting its unique features and the importance of understanding the regulatory framework governing bank audits.

2.Steps in Conducting Bank Audit
Timestamp: 01:06:30
Aarti Madam outlines the steps involved in conducting a bank audit, including initial considerations, understanding the bank's operations, risk assessment, execution, and reporting.

3.Internal Control Systems
Timestamp: 01:07:13
A significant portion of the lecture is dedicated to discussing the internal control systems within banks, covering various areas such as cash management, loans, and advances.

4.IT Environment in Banking
Timestamp: 01:07:32
The importance of the IT environment in banks is emphasized, including the need for auditors to understand the key security control aspects of computerized banking systems.

5.Compliance with CRR and SLR
Timestamp: 01:08:04
The lecture discusses the audit of compliance with the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), which are critical for bank operations.

6.Verification of Assets
Timestamp: 01:08:49
The verification of bank assets, including cash balances, investments, and advances, is highlighted as a crucial audit procedure.

7.Audit of Contingent Liabilities
Timestamp: 01:10:10

Aarti Madam explains the audit procedures for contingent liabilities, emphasizing the need for written representations and specific verification steps.
The concept of concurrent audit is introduced, detailing who appoints the concurrent auditor, the scope of their work, and the reporting requirements.

8.Reporting on Consolidation
Timestamp: 01:11:20
The lecture covers the reporting requirements for consolidated financial statements, including the auditor's responsibilities when auditing components.

9.Materiality in Auditing
Timestamp: 00:12:30
The importance of applying the concept of materiality when considering the observations and qualifications in the audit reports of component auditors is discussed.

10.Permanent vs. Current Period Consolidation Adjustments
Timestamp: 00:35:56
The differences between permanent and current period consolidation adjustments are explained, with examples of when each type applies.

11.Verification Procedures for Consolidation Adjustments
Timestamp: 00:44:30
Specific verification procedures for current period consolidation adjustments are outlined, emphasizing the need for thorough checks on intra-group transactions.

12.Audit Procedures for Advances
Timestamp: 01:09:21
The lecture details the audit approach for advances, including the assessment of recoverability and compliance with RBI norms.

13.Documentation Requirements
Timestamp: 01:11:20
The necessity for proper documentation and written representations from management regarding the completeness and accuracy of financial statements is emphasized.

14.Final Thoughts on Bank Audit
Timestamp: 01:11:20
The lecture concludes with a summary of the key areas covered in the bank audit chapter, reiterating the importance of understanding the regulatory environment and the specific audit procedures required.

Lecture 32

Overview

The lecture primarily focuses on the theme of capital adequacy in banking, emphasizing the importance of maintaining sufficient capital to absorb potential losses. It discusses the concept of stress testing, which evaluates whether banks can withstand extreme economic scenarios, such as geopolitical conflicts or pandemics. The purpose of the lecture is to explain the Basel III framework, a global regulatory standard aimed at enhancing the banking sector's ability to manage risks, improve governance practices, and ensure transparency in financial disclosures. The lecture outlines the necessity for banks to maintain a capital to risk asset ratio, thereby ensuring their resilience against financial shocks.

Timestamps

1.Initial Considerations in Bank Audit
Timestamp: (00:22:01)
The lecture begins with the steps involved in conducting a bank audit, emphasizing initial considerations such as acceptance and continuance of the audit, and the declaration of indebtedness.

2.Understanding the Bank
Timestamp: (00:22:27)
The importance of understanding the bank's environment and operations is highlighted as a crucial step before proceeding with the audit.

3.Risk Assessment
Timestamp: (00:47:15)
The necessity of risk assessment is discussed, which involves identifying risks at both the financial statement level and assertion level, including the risk of fraud.

4.Audit Approach for Advances
Timestamp: (01:42:31)
The approach to auditing bank advances is outlined, focusing on obtaining evidence regarding outstanding amounts, proper documentation, and compliance with accounting policies.

5.Capital Adequacy and Stress Testing
Timestamp: (02:17:25)
The lecture covers capital adequacy, explaining the Basel III framework and its role in ensuring banks can absorb financial shocks.

6.Internal Controls
Timestamp: (00:49:10)
The importance of internal controls within the bank is discussed, including the need for regular checks and balances to prevent fraud and ensure compliance.

7.Verification of Assets
Timestamp: (01:53:54)
The process of verifying the bank's assets, including cash balances and investments, is detailed, emphasizing the need for physical verification and reconciliation.

8.Reporting Requirements
Timestamp: (00:18:49)
The lecture outlines the reporting requirements for auditors, including the necessity to report any irregularities to the bank regulator.

9.Substantive Audit Procedures
Timestamp: (01:50:22)
Aarti Madam discusses substantive audit procedures necessary for assessing the recoverability of advances and compliance with regulatory norms.

10.IT Environment Considerations
Timestamp: (00:39:11)
The impact of the IT environment on the audit process is addressed, highlighting the need for auditors to understand the bank's IT systems and controls.

11.Management of Non-Performing Assets (NPAs)
Timestamp: (01:54:10)
The classification and management of NPAs are discussed, including the criteria for recognizing interest income and the implications of government guarantees.

12.Engagement Risk Assessment
Timestamp: (01:52:39)
The necessity of assessing engagement risk before accepting an audit engagement is emphasized, including the integrity of the client.

13.Materiality and Going Concern
Timestamp: (01:52:57)
The importance of determining materiality and assessing the bank's ability to continue as a going concern is highlighted as part of the audit planning process.

14.Audit Execution
Timestamp: (01:52:35)
The execution phase of the audit is discussed, including the establishment of an overall audit strategy and the need for team discussions.

15.Final Reporting and Compliance
Timestamp: (01:53:54)
The lecture concludes with a discussion on final reporting, including compliance with CRR and SLR requirements, and the need for transparency in reporting.

Lecture 33

Overview

The lecture primarily focuses on the audit processes related to Non-Banking Financial Companies (NBFCs) and the importance of concurrent audits in the banking sector. It aims to provide a comprehensive understanding of the legal requirements, types of NBFCs, and the differences between banks and NBFCs. The purpose is to equip participants with knowledge about the prudential norms governing NBFCs, the procedures for auditing these entities, and the classification of frauds within this sector. Additionally, the lecture emphasizes the necessity for timely detection of irregularities and the effective management of audit systems to prevent fraudulent activities.

Timestamps

1.Introduction to Audit Procedures
Timestamp: 00:00:49
The lecture begins with an overview of audit procedures for verifying contingent liabilities of banks, emphasizing the importance of understanding specific liabilities.

2.Types of Contingent Liabilities
Timestamp: 00:01:03
Aarti Madam outlines various types of contingent liabilities, including claims against the bank, guarantees, and obligations related to forward exchange contracts.

3.Verification of Claims
Timestamp: 00:22:11
The process for verifying claims against the bank involves examining correspondence with lawyers and reviewing meeting minutes to assess the status of outstanding claims.

4.Audit Representation
Timestamp: 00:23:50
The necessity for written representations from management regarding contingent liabilities is discussed, highlighting the auditor's need for assurance on completeness and valuation.

5.Forward Exchange Contracts
Timestamp: 00:31:22
The lecture details the audit procedures for forward exchange contracts, including the need for statements generated from the bank's systems and physical verification of underlying documents.

6.Guarantees and Internal Controls
Timestamp: 00:31:39
The importance of internal controls over the issuance of guarantees is emphasized, along with the need to verify the guarantee register.

7.Concurrent Audit Areas
Timestamp: 00:42:36

Aarti Madam discusses areas covered in concurrent audits, such as compliance with internal inspection reports and customer complaints.

8.Reporting Procedures
Timestamp: 00:52:11
The lecture outlines the structured reporting format required from concurrent auditors, including zone-wise reporting and discussions with branch managers before final report submission.

9.Fraud Detection
Timestamp: 00:53:02
The need for early detection of fraud and errors through concurrent audits is highlighted, stressing the importance of timely reporting of irregularities.

10.NBFC Audit Procedures
Timestamp: 01:00:05
The discussion transitions to the audit procedures for Non-Banking Financial Companies (NBFCs), focusing on prudential norms and the differences between banks and NBFCs.

11.Differences Between Banks and NBFCs
Timestamp: 01:08:30
Key differences are outlined, such as the inability of NBFCs to accept demand deposits and their exclusion from the payment settlement system.

12.Public Deposit Directions
Timestamp: 01:09:01
The lecture covers the audit procedures related to public deposits accepted by NBFCs, emphasizing compliance with regulatory requirements.

13.Classification of Frauds
Timestamp: 01:02:01
The classification of frauds specific to NBFCs is discussed, including fraudulent financial reporting and misappropriation of assets.

14.Verification of Foreign Exchange Transactions
Timestamp: 00:50:11
The procedures for auditing foreign exchange transactions are detailed, including the verification of foreign currency accounts and compliance with RBI guidelines.

15.Housekeeping Checks
Timestamp: 00:51:06
The importance of housekeeping checks within banks is discussed, including balancing accounts, revenue leakage prevention, and the handling of dishonored checks.

Lecture 34

Overview

The lecture primarily focuses on the audit of public sector undertakings (PSUs), emphasizing the roles and responsibilities of the Comptroller and Auditor General of India (C&AG). It outlines the planning process for performance audits, detailing steps such as understanding the entity, defining objectives, determining audit criteria, and establishing audit approaches. The discussion includes various types of audits—financial, compliance, comprehensive, propriety, and performance audits—highlighting their objectives and principles. Additionally, the lecture addresses the significance of financial committees in Parliament and the C&AG's involvement in these committees, aiming to enhance the effectiveness and accountability of public enterprises through structured auditing practices.

Timestamps

1.Introduction to Performance Audit Planning
Timestamp: [01:01:30]
The lecture begins with the importance of planning for performance audits, outlining the steps involved, including understanding the entity and defining objectives.

2.Categories of Public Sector Undertakings (PSUs)
Timestamp: [02:02:19]
Aarti Madam discusses the different categories of PSUs, which include government departments, corporations, and companies.

3.Role of C&AG
Timestamp: [01:57:25]
The role of the Comptroller and Auditor General (C&AG) is emphasized, highlighting its significance in the audit of government companies.

4.Financial Committees of Parliament
Timestamp: [02:02:53]
The lecture covers the financial committees such as the Public Accounts Committee, Estimates Committee, and Committee on Public Undertakings, detailing their functions.

5.Objective and Scope of PSU Audit
Timestamp: [02:03:04]
The objectives and scope of the audit of public enterprises are discussed, focusing on the elements and principles of PSU audits.

6.Types of PSU Audits
Timestamp: [02:03:19]
Aarti Madam outlines the various types of PSU audits: financial audit, compliance audit, comprehensive audit, propriety audit, and performance audit.

7.Planning for Performance Audit
Timestamp: [02:01:26]

Detailed steps for planning a performance audit are presented, including defining the audit criteria and establishing a timetable.

8.Audit of Non-Banking Financial Companies (NBFCs)
Timestamp: [01:06:12]
The discussion transitions to the audit of NBFCs, emphasizing the importance of compliance with prudential norms and asset classification.

9.Prudential Norms for NBFCs
Timestamp: [00:44:41]
The lecture highlights the prudential norms that NBFCs must adhere to, including asset classification and income recognition.

10.Exception Reporting to RBI
Timestamp: [01:31:45]
The necessity for auditors to submit exception reports to the Reserve Bank of India (RBI) when compliance issues arise is discussed.

11.Classification of Frauds in NBFCs
Timestamp: [01:36:34]
The classification of frauds within NBFCs is outlined, including fraudulent financial reporting and misappropriation of assets.

12.Audit Procedures for NBFCs
Timestamp: [01:06:15]
Aarti Madam explains the audit procedures specific to NBFCs, including the verification of loan classifications and compliance with regulations.

13.Investment and Credit Companies (ICC)
Timestamp: [01:07:22]
The distinction between investment companies and credit companies within the NBFC sector is clarified, along with their respective audit requirements.

14.Importance of Asset Classification
Timestamp: [00:32:06]
The significance of proper asset classification in maintaining financial health and compliance is emphasized, particularly for loans.

15.Conclusion and Transition to Next Chapter
Timestamp: [02:06:08]
The lecture concludes with a summary of the discussed topics and a transition to the next chapter on the audit of public sector undertakings.

Lecture 35

Overview

The lecture primarily focuses on the audit of public sector undertakings (PSUs) and emphasizes the importance of various types of audits, including performance, propriety, and compliance audits. It discusses the objectives and scope of PSU audits, highlighting that audits are not limited to financial compliance but also assess the efficiency and effectiveness of management decisions in fulfilling organizational goals. The purpose of these audits is to ensure accountability and improve the operational efficiency of government enterprises. Additionally, the lecture covers the role of audits in identifying financial performance issues and enhancing resource management, thereby contributing to better governance and public service delivery.

Timestamps

1.Powers of C&AG in Government Companies
Timestamp: 00:04:03
The C&AG has three main powers regarding government companies: appointing auditors, conducting supplementary audits, and performing test audits of accounts.

2.Director's Report Requirements
Timestamp: 00:08:20
If there are qualifications in the audit report by the company auditor, the directors must explain these in their report. However, they are not required to respond to comments made by the C&AG.

3.Role of C&AG in Financial Committees
Timestamp: 00:25:47
The C&AG acts as a "friend, philosopher, and guide" to financial committees, providing reports that form the basis for their work.

4.Types of Financial Committees
Timestamp: 00:25:53
The lecture discusses three key financial committees: the Public Accounts Committee, the Estimates Committee, and the Committee on Public Undertakings.

5.Due Diligence Overview
Timestamp: 00:41:33
The lecture introduces the concept of due diligence, emphasizing its distinction from audits and outlining its importance in financial assessments.

6.Principles of PSU Audit
Timestamp: 00:34:00
The principles of Public Sector Undertaking (PSU) audits include ethical requirements, professional judgment, and quality control.

7.Types of PSU Audits
Timestamp: 00:47:35

The lecture categorizes PSU audits into five types: financial audit, compliance audit, comprehensive audit, propriety audit, and performance audit.

8.Compliance Audit Focus
Timestamp: 00:50:09
Compliance audits assess whether government activities adhere to laws and regulations, emphasizing sound financial management and ethical conduct.

9.Performance Audit Objectives
Timestamp: 00:48:17
Performance audits evaluate whether public enterprises achieve their objectives efficiently and effectively, focusing on value for money.

10.Due Diligence Steps
Timestamp: 01:41:20
The lecture outlines the steps involved in conducting financial due diligence, including identifying hidden liabilities and overvalued assets.

11.Investigation vs. Audit
Timestamp: 00:08:39
The differences between investigations and audits are discussed, highlighting the unique aspects of each process.

12.Audit Report Contents
Timestamp: 00:10:24
The contents of the C&AG's audit report include an introduction, results of appraisals, and significant audit findings.

13.Audit Process Stages
Timestamp: 00:46:07
The audit process is broken down into planning, conducting, and reporting, with specific standards guiding each stage.

14.Importance of Ethical Conduct
Timestamp: 00:50:09
Ethical conduct and sound financial management are emphasized as critical components of compliance audits.

15.Planning for Performance Audits
Timestamp: 00:47:35
The lecture discusses the importance of planning in performance audits, including defining objectives and determining audit criteria.

Lecture 36

Overview

The lecture primarily focuses on the standards and practices of forensic accounting and investigations. It aims to provide an overview of the framework established by the Institute of Chartered Accountants of India (ICAI) to ensure high-quality forensic accounting outputs. The main objectives include enhancing understanding of forensic accounting investigations (FAIs), outlining how various components come together to maintain and improve quality, and establishing minimum standards for conducting forensic work. The framework comprises four components: objectives, basic principles, key concepts, and guidance. The lecture also emphasizes the importance of forensic accounting in legal contexts, detailing the investigative skills required to resolve financial issues and the necessity of presenting evidence in court.

Timestamps

1.Introduction to Forensic Accounting
Timestamp: 00:00:00
The lecture begins with an overview of forensic accounting, emphasizing its role in legal contexts and the importance of evidence suitable for court use.

2.Importance of Due Diligence
Timestamp: 00:12:04
Aarti Madam discusses the significance of conducting due diligence to identify defects in the target company and avoid bad business transactions.

3.Open Mind Approach
Timestamp: 00:17:09
Emphasizing the need for an open mind during investigations, Aarti Madam advises against assumptions and encourages identifying trouble spots.

4.Key Elements of Forensic Accounting
Timestamp: 00:48:16
The lecture outlines the key elements that differentiate forensic accounting from other audits, including objectives, techniques, and the period of investigation.

5.Forensic Accountant's Skills
Timestamp: 00:53:45
Aarti Madam highlights the essential skills required for forensic accountants, including investigative mentality, professional skepticism, and the use of technology.

6.Reporting Findings
Timestamp: 01:19:23
The importance of accurate reporting in forensic accounting is discussed, stressing that reports should be based on facts rather than opinions.

7.Evidence Gathering
Timestamp: 01:16:09
The process of gathering evidence during investigations is detailed, including the need to locate documents, assets, and individuals involved.

8.Analysis and Calculation
Timestamp: 01:17:16
Aarti Madam explains the steps involved in analyzing gathered information, including calculating economic damages and summarizing transactions.

9.Distinction Between Audits
Timestamp: 01:04:46
A significant portion of the lecture is dedicated to distinguishing between statutory audits and forensic accounting, focusing on their different objectives and methodologies.

10.Forensic Accounting Standards
Timestamp: 01:31:22
The lecture covers the standards issued for forensic accounting by the ICAI, emphasizing their role in ensuring quality and consistency in forensic investigations.

11.Role of Forensic Accountants
Timestamp: 01:08:11
The various roles and responsibilities of forensic accountants are discussed, including fraud detection, prevention, and providing expert testimony in court.

12.Financial Statement Manipulation
Timestamp: 01:09:49
Aarti Madam addresses issues related to financial statement manipulation and the forensic accountant's role in detecting such frauds.

13.Use of Technology
Timestamp: 00:54:00
The integration of technology in forensic accounting is highlighted, including the use of computerized applications for data analysis and evidence presentation.

14.Legal Implications
Timestamp: 01:19:23
The lecture discusses the legal implications of forensic accounting findings and the necessity for evidence to be admissible in court.

15.Conclusion and Future Directions
Timestamp: 01:39:01
The session concludes with a discussion on the evolving nature of forensic accounting and its increasing relevance in today's business environment.

Lecture 37

Overview

The lecture focuses on the theme of investigation within the context of accounting and auditing, distinguishing it from audits and due diligence. Its purpose is to provide a comprehensive understanding of the investigation process, including its objectives, scope, and the steps involved in conducting an investigation. Key topics covered include the formulation of an investigation program based on business structure and client instructions, the collection and analysis of evidence, and the preparation of investigation reports. The lecture also addresses special issues such as the reliance on audited statements, the extent of verification (100% vs. selective), and the handling of disputes and conflicting claims. Overall, it aims to equip participants with the knowledge necessary to effectively conduct investigations and report findings in a professional context.

Timestamps

1.Introduction to Investigation
Timestamp: (00:01:58)
The lecture begins with an overview of the investigation process, emphasizing its importance in establishing facts and determining if fraud has occurred.

2.Distinction Between Audit and Investigation
Timestamp: (00:05:01)
Aarti Madam outlines the key differences between audits and investigations, focusing on objectives, scope, and the nature of evidence collected.

3.Steps in an Investigation
Timestamp: (00:10:39)
The steps involved in conducting an investigation are introduced, highlighting the importance of having a clear objective, procedure, and conclusion (referred to as OPC).

4.Types of Investigations
Timestamp: (00:02:12)
The lecture discusses mandatory versus non-mandatory investigations, including those conducted for fraud, due diligence, and financial forecasts.

5.Fraud Indicators
Timestamp: (00:03:16)
Aarti Madam identifies various indicators of fraud and the different levels at which fraud can be committed within an organization.

6.Evidence Collection
Timestamp: (00:14:00)
Emphasis is placed on the methods of collecting evidence, including document examination and obtaining oral explanations from individuals involved.

7.Elimination and Corroboration
Timestamp: (00:14:23)

The process of elimination and corroboration is discussed, using a CID team example to illustrate how investigators narrow down suspects.

8.Special Issues in Investigation
Timestamp: (00:20:04)
The lecture addresses special issues such as whether to conduct 100% verification or selective verification based on the investigation's context.

9.Reliance on Audited Statements
Timestamp: (00:27:14)
Aarti Madam discusses the conditions under which an investigator can rely on previously audited statements, emphasizing the need for skepticism if doubts arise.

10.Investigation Report Preparation
Timestamp: (00:17:18)
Key points for preparing an investigation report are outlined, including the need for clarity, relevance, and factual basis in the report.

11.Profit and Loss Analysis
Timestamp: (00:36:39)
The importance of analyzing profit and loss statements over several years to identify trends and anomalies is highlighted.

12.Balance Sheet Examination
Timestamp: (00:41:26)
Aarti Madam discusses the examination of balance sheets, focusing on fixed assets, liabilities, and the importance of verifying title deeds.

13.Future Maintainable Profit
Timestamp: (00:34:04)
The concept of future maintainable profit is introduced, with discussions on factors affecting sales and profitability.

14.Exceptional Factors in Analysis
Timestamp: (00:34:30)
The lecture emphasizes the need to consider exceptional factors (like natural disasters or economic changes) when analyzing financial data.

15.Conclusion and Summary
Timestamp: (00:43:12)
The lecture concludes with a summary of the key points discussed, reinforcing the importance of thorough investigation practices in accounting and fraud detection.

Lecture 38

Overview

The lecture primarily focuses on the investigation of fraud and the methodologies for valuing shares in private companies. It discusses two main approaches for share valuation: the net worth approach, which calculates the value of shares based on the company's net worth divided by the number of shares, and the yield approach, which estimates future maintainable profits and discounts them to present value before dividing by the total number of shares. Additionally, the lecture delves into the types of fraud, including personal, corporate, and operational frauds, and emphasizes the importance of understanding the fraud triangle—comprising incentive pressure, opportunity, and rationalization—while introducing the concept of a fraud diamond that includes capability as a critical element. The purpose of the lecture is to equip participants with the knowledge to conduct thorough investigations into financial misconduct and to assess the financial health of companies seeking loans or investments.

Timestamps

1.Definition of Fraud
Timestamp: 01:08:43
The lecture begins with defining fraud as an intentional act involving deception to gain an unjust advantage, referencing SA240 and Section 447.

2.Types of Fraud
Timestamp: 01:09:01
Aarti Madam discusses various types of fraud, including personal fraud (bribery), corporate fraud (money laundering), and operational fraud (payroll fraud).

3.Fraud Triangle vs. Diamond
Timestamp: 01:09:39
The transition from the fraud triangle (incentive pressure, opportunity, attitude rationalization) to the fraud diamond, which adds capability as a fourth element necessary for committing fraud.

4.Fraud Risk Factors
Timestamp: 01:29:22
The importance of assessing fraud risk factors such as incentives, opportunities, and attitudes is emphasized, which can lead to fraudulent activities.

5.Indicators of Fraud
Timestamp: 01:15:30
The lecture outlines indicators of fraud, including discrepancies in accounting records, missing documents, and unacceptable management responses.

6.Fraud in Cash Receipts
Timestamp: 01:34:09
Aarti Madam explains how fraud can occur in cash receipts, such as embezzling funds and issuing false receipts.

7.Fraud in Cash Payments

Timestamp: 01:39:24
Discussion on how cash payment fraud can happen through double payments and personal payments.

8.Supplier and Customer Ledger Fraud
Timestamp: 01:48:41
The lecture covers fraud through supplier and customer ledgers, including misappropriating amounts and falsifying returns.

9.Inventory Fraud
Timestamp: 01:51:16
Aarti Madam discusses inventory fraud, including the inflation of quantities issued for production and discrepancies between physical and book stock.

10.Verification Procedures
Timestamp: 01:36:10
The importance of verification procedures in detecting fraud is highlighted, including checking receipts and bank entries.

11.Management Override
Timestamp: 01:02:03
The concept of management override of controls is discussed as a significant risk factor in fraud.

12.Fraud Investigation Procedures
Timestamp: 01:31:05
The lecture outlines procedures for investigating fraud, emphasizing the need for thorough checks in cash receipts, payments, and ledgers.

13.Collusion in Fraud
Timestamp: 01:49:10
The potential for collusion among employees to commit fraud is addressed, indicating that it complicates detection.

14.Auditor's Role
Timestamp: 01:29:58
The role of auditors in assessing fraud risk and communicating findings to management and regulatory authorities is emphasized.

15.Case Studies
Timestamp: 01:11:36
Aarti Madam references real-world examples of corporate fraud, such as Satyam, to illustrate the impact of fraud on organizations.

Lecture 39

Overview

The lecture primarily focuses on the critical activities involved in managing the internal audit function, emphasizing the importance of planning, scope, and methodology for various audit assignments. It outlines the necessity for internal auditors to assess available resources, including staff talent and external expertise, to effectively achieve audit objectives. The purpose of the lecture is to provide a comprehensive understanding of the internal audit process, including the development of audit plans in consultation with key stakeholders, and to highlight the significance of maintaining quality evaluation and improvement programs within the internal audit framework. This approach aims to enhance governance, risk management, and internal control systems within organizations.

Timestamps

1.Audit Planning
Timestamp: 01:40:12
The internal audit plan must be developed in consultation with the audit committee and should cover all business processes, ensuring a balance between risk appetite and the value provided by the audit.

2.Scope Approval
Timestamp: 01:40:51
The audit scope must be approved by the audit committee and the Board of Directors before proceeding with the detailed audit plan.

3.Opening Meeting
Timestamp: 01:40:58
An opening meeting with key stakeholders is essential to discuss the audit scope and the access required to information systems.

4.Detailed Work Plan
Timestamp: 01:41:07
The audit manager is responsible for preparing a detailed work plan, which must be approved by the head of internal audit.

5.Risk Evaluation
Timestamp: 01:41:18
The internal audit plan should be based on an evaluation of major risks associated with the processes being reviewed.

6.Audit Checks
Timestamp: 01:41:27)
The audit checks should assess the adequacy of the control environment to mitigate identified risks.

7.Documentation Standards
Timestamp: 01:45:41

Various standards for internal audit documentation, such as SIA 230 and SIA 330, must be adhered to during the audit process.

8.Performing Audit Engagement
Timestamp: 01:46:01
The steps involved in performing an internal audit engagement include gathering information, performing audit checks, and reporting findings.

9.Draft Report Preparation
Timestamp: 01:47:08
After completing the audit, a draft report must be prepared, summarizing the findings and gaps identified during the audit.

10.Management Action Plan
Timestamp: 01:47:19
The management must respond to the draft report with a management action plan that includes timelines and responsibilities for addressing the identified issues.

11.Internal Audit Report Elements
Timestamp: 02:02:12
Key elements of the internal audit report include the objective, scope, executive summary, detailed findings, recommendations, and management responses.

12.Follow-Up on Previous Audits
Timestamp: 02:06:44
The internal auditor must follow up on the actions taken regarding findings from previous audits to ensure issues have been addressed.

13.Monitoring and Reporting
Timestamp: 02:07:06
The internal auditor is responsible for monitoring the implementation of recommendations and reporting on the status of prior audit issues.

14.Independence and Objectivity
Timestamp: 01:55:30
The internal auditor must maintain independence and objectivity throughout the audit process, free from undue influences.

15.Internal vs. External Audit
Timestamp: 01:55:43
A distinction is made between internal and external audits, highlighting their different purposes, reporting structures, and scopes.

Lecture 40

Overview

The lecture focuses on the theme of sustainable development, emphasizing its importance in addressing the needs of both present and future generations. It defines sustainable development as a means to meet current needs without compromising the ability of future generations to meet theirs. The discussion includes the three pillars of Environmental, Social, and Governance (ESG), which are crucial for achieving sustainability. Additionally, the lecture outlines the 17 Sustainable Development Goals (SDGs) established by the United Nations, which serve as a universal call to action for all countries to end poverty, protect the planet, and improve lives. The purpose of the lecture is to educate participants on the significance of these goals and the frameworks for measuring and reporting sustainability performance, thereby fostering a commitment to sustainable practices across various sectors.

Timestamps

1. **Introduction to BRSR**
   Timestamp: 00:03:27
   The lecture begins with an overview of the Business Responsibility and Sustainability Reporting (BRSR) framework, emphasizing its importance in aligning corporate practices with sustainable development goals.

2. **Nine Principles of BRSR**
   Timestamp: 01:36:32
   The Aarti Madam outlines the nine principles of BRSR, which include aspects like ethical governance, employee well-being, and environmental sustainability.

3. **Sustainable Development Goals (SDGs)**
   Timestamp: 01:06:37
   The discussion transitions to the 17 Sustainable Development Goals established by the United Nations, highlighting their interconnections, such as how eradicating poverty leads to zero hunger and good health.

4. **Integration of BRSR and SDGs**
   Timestamp: 01:16:36
   The Aarti Madam explains how the nine principles of BRSR align with the SDGs, emphasizing the role of businesses in achieving these global goals.

5. **Role of Auditors**
   Timestamp: 01:37:09
   The lecture discusses the critical role of auditors in ensuring compliance with BRSR, particularly in assessing climate-related risks in financial statements.

6. **Assurance Methodology**
   Timestamp: 01:18:07
   The Aarti Madam details the methodology for providing assurance in BRSR, including the standards set by the Institute of Chartered Accountants of India (ICAI).

7. **Social Audit Standards**
   Timestamp: 01:18:27
   The lecture mentions the 16 social audit standards issued by ICAI, which guide the auditing process within the BRSR framework.

8. **Case Study Discussion**
   Timestamp: 01:31:03
   A case study is presented regarding two companies and their compliance with BRSR, illustrating practical applications of the principles discussed.

9. **Material Issues Identification**
   Timestamp: 01:32:57
   The Aarti Madam highlights the importance of identifying material issues such as data privacy, employee well-being, and environmental impact in the context of sustainability reporting.

10. **Global Trends in Sustainability Reporting**
    Timestamp: 01:08:41
    The lecture covers global trends in sustainability reporting, emphasizing the increasing importance of ESG (Environmental, Social, and Governance) factors in corporate reporting.

11. **Impact of Climate Change**
    Timestamp: 01:37:14
    The discussion includes the impact of climate change on business practices and the necessity for companies to adapt their strategies accordingly.

12. **Stakeholder Engagement**
    Timestamp: 01:10:00
    The importance of engaging stakeholders in the sustainability process is emphasized, highlighting how businesses can benefit from stakeholder feedback.

13. **Ethics and Transparency**
    Timestamp: 01:10:00
    The lecture stresses the need for ethical practices and transparency in business operations as part of the BRSR principles.

14. **Future of Sustainability Reporting**
    Timestamp: 01:35:30
    The Aarti Madam discusses the future of sustainability reporting, predicting that it will become increasingly integrated into overall business strategies.

15. **Conclusion and Call to Action**
    Timestamp: 01:36:32
    The lecture concludes with a call to action for businesses to embrace sustainability reporting as a core component of their operations, ensuring they contribute positively to society and the environment.

Lecture 41

Overview

The lecture primarily focuses on the concept of sustainable development and its significance in addressing global challenges. It emphasizes the need for quality education, gender equality, clean water, and energy, as well as decent work and innovation to reduce inequalities. The discussion revolves around the 17 Sustainable Development Goals (SDGs), which aim to ensure that current generations meet their needs without compromising future generations' ability to do the same. The lecture also highlights the importance of environmental, social, and governance (ESG) factors in sustainable practices, advocating for responsible consumption, climate action, and the protection of ecosystems. Overall, the purpose of the lecture is to educate and raise awareness about sustainable practices and the role of various stakeholders in achieving these goals.

Timestamps

1. **Introduction of CSR Guidelines (2009)**:
   Timestamp: 00:24:30
   The lecture begins with the introduction of Corporate Social Responsibility (CSR) voluntary guidelines in 2009, marking the start of a structured approach to corporate responsibility in India.

2. **National Voluntary Guidelines (2011)**:
   Timestamp: 00:24:42
   In 2011, the National Voluntary Guidelines on the social, economic, and environmental responsibilities of businesses were introduced, building on the initial CSR guidelines.

3. **Business Responsibility Reporting (BRR) (2012)**:
   Timestamp: 00:25:05
   The Securities and Exchange Board of India (SEBI) mandated the top 100 listed companies to undertake Business Responsibility Reporting (BRR) in 2012, integrating it into corporate governance.

4. **Expansion to Top 500 Companies**:
   Timestamp: 00:25:35
   The BRR was later expanded to include integrated reporting for the top 500 listed companies, emphasizing the importance of comprehensive reporting on corporate responsibility.

5. **National Guidelines on Responsible Business Conduct (2019)**:
   Timestamp: 00:25:42
   The National Guidelines on Responsible Business Conduct were introduced in 2019, replacing earlier voluntary guidelines and making BRR mandatory for the top 1000 listed companies.

6. **Introduction of BRSR**:
   Timestamp: 00:26:07
   The Business Responsibility and Sustainability Report (BRSR) was introduced, focusing on Environmental, Social, and Governance (ESG) parameters, marking a significant evolution in corporate reporting.

7. **Principle 1: Ethics, Transparency, and Accountability**:
   Timestamp: 01:05:59
   The first principle of BRSR emphasizes the need for ethics, transparency, and accountability in business operations, requiring organizations to disclose their decision-making processes.

8. **Principle 6: Protection and Restoration of the Environment**:
   Timestamp: 01:37:09
   This principle focuses on environmental responsibility, urging companies to assess and rectify their environmental impacts and to adopt sustainable practices.

9. **Principle 7: Influence on Policy**:
   Timestamp: 01:05:34
   Companies are encouraged to positively influence public and regulatory policy, ensuring that their advocacy promotes fair competition and prevents human rights abuses.

10. **Principle 8: Inclusive Growth**:
    Timestamp: 01:05:34
    This principle stresses the importance of inclusive growth and equitable development, highlighting the need for collaboration among various stakeholders to support marginalized communities.

11. **Role of Auditors in Climate Risk**:
    Timestamp: 01:00:23
    The lecture discusses the role of auditors in considering climate-related risks during financial audits, emphasizing the growing importance of transparency in this area.

12. **International Sustainability Standards Board (ISSB)**:
    Timestamp: 00:45:14
    The establishment of the ISSB in 2021 is noted, which aims to create a comprehensive baseline for sustainability reporting standards globally.

13. **Task Force on Climate-related Financial Disclosures (TCFD)**:
    Timestamp: 00:46:28
    The TCFD was created to help organizations provide consistent climate-related disclosures, particularly for sectors significantly impacted by climate change.

14. **Sustainable Development Goals (SDGs)**:
    Timestamp: 00:50:24
    The lecture references the 17 Sustainable Development Goals (SDGs) established by the United Nations, linking corporate responsibility to broader global objectives.

15. **Conclusion on ESG Reporting**:
    Timestamp: 01:05:34
    The session concludes with a discussion on the importance of ESG reporting for companies, highlighting the need for both quantitative and qualitative disclosures to enable comparability across sectors.