



## Azadi Ka Amrit Mahotsav Activity

### “Sky High- Symposium - 63 Virtual Program” conducted by Women & Young Members Excellence Committee of ICAI on 26<sup>th</sup> July 2023

**ICAI**  
The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)

Women & Young Members Excellence Committee  
Organises

**SKY HIGH-SYMPIOSIUM-63**  
Virtual Programme

- SA 315 - Risk of Material Misstatement
- SA 330 - The Auditor's Responses to Assessed Risks

for **Women & Young Members** Every **Wednesday**

**26<sup>th</sup> July, 2023 | 04:00 PM to 06:00 PM**

**FEES NIL**

Registration and participation link:  
<https://live.icai.org/wymec/26072023>

Questions related to the topic may be sent in advance at [wymec@icai.in](mailto:wymec@icai.in) or LIVE at the time of Program itself at the same link

**Welcome Address**  
CA. Priti Savla  
Chairperson, WYMEC, SRSB & Vice Chairperson, VSB

**Introductory Remarks**  
CA. Abhay Chhajed  
Chairman, CCLEA&NPO & Vice Chairman, WYMEC & ASB

**Speakers**  
CA. Alpa Kedia  
CA. Swapna R

**Co-ordinators**  
CA. Ami Chheda  
CA. Poonam Pathak  
CA. Priti Sangoi  
CA. Prarthana Jalan

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women & Young Members Excellence Committee (WYMEC) of ICAI organized "Sky High- Symposium -63 Virtual Program" on 26<sup>th</sup> July 2023.

CA. Alpa Kedia and CA. Swapna R were speakers of the said program. Coordinators for the day were CA. Ami Chheda, CA. Poonam Pathak, CA. Priti Sangoi and CA. Prarthana Jalan.

The program covered discussion on "SA 315- Risk of Material Misstatement". Deliberations were made on Objective of Risk of Material Misstatement, What is Risk Assessment Procedures, Levels of Risk Assessment, etc.

The program also covered Session on “SA 330- The Auditor’s Responses to Assessed Risks”. Topics discussed were on Scope, Objective, Deficiencies in Internal Control, Auditor’s General Approach, Relevant Factors that influence the Auditor’s Consideration, Evaluating Operating Effectiveness of Controls, Substantive Procedures, etc.

**SA 330: The Auditor’s Responses to Assessed Risks**

- Overall responses to be designed & implemented to address risk of material misstatement at Financial Statement level may include:
  - Emphasizing to the audit team the need to maintain professional skepticism.
  - Assigning more experienced staff or those with special skills or using experts.
  - Providing more supervision.
  - Incorporating additional elements of unpredictability in the selection of further audit procedures to be performed.
  - Making general changes to the nature, timing or extent of audit procedures, for example: performing substantive procedures at the period end instead of at an interim date; or modifying the nature of audit procedures to obtain more persuasive audit evidence.
- Deficiencies in Internal Control:
  - Conducting more audit procedures as of the period end rather than at an interim date.
  - Obtaining more extensive audit evidence from substantive procedures.
  - Increasing the number of locations to be included in the audit scope.

**SA 330: The Auditor’s Responses to Assessed Risks**

Relevant Factors that influences the auditor’s consideration of when to perform audit procedures

- The control environment.
- When relevant information is available (for example, electronic files may subsequently be overwritten, or procedures to be observed may occur only at certain times).
- The nature of the risk (for example, if there is a risk of inflated revenues to meet earnings expectations by subsequent creation of false sales agreements, the auditor may wish to examine contracts available on the date of the period end).
- The period or date to which the audit evidence relates.

Considerations specific to smaller entities

- Non-Existence of many control activities.
- The extent to which their existence or operation have been documented by the entity may be limited.
- Use substantive procedures.

**SA 330: The Auditor’s Responses to Assessed Risks**

- Evaluating Operating Effectiveness of Controls:
  - ✓ Evaluate whether material misstatements detected by substantive procedures indicate controls are not working effectively:
    - Non detection of misstatements is not an evidence that relevant controls are effective.
  - ✓ Deviation from controls –inevitable but make specific inquiries to understand the matter and potential consequences and determine if:
    - ToC performed provide appropriate basis for reliance on controls.
    - Additional ToC are necessary.
    - Potential risk of misstatement to be addressed using substantive procedures.
    - Compare detected rate of deviation vis-a-vis expected rate of deviation.

**SA 330: The Auditor’s Responses to Assessed Risks**

- Substantive Procedures:
  - ✓ Irrespective of assessed risk of material misstatement, design and perform substantive procedures for each material class of transactions, account balance & disclosures
  - ✓ Consider whether external confirmation procedures are to be performed as substantive procedures.
  - ✓ Substantive Analytical Procedures used more in case of large volumes of data that tend to be predictable over time
  - ✓ Extent of substantive procedures increased if results of ToC are not satisfactory
  - ✓ Related to financial statement closing process
    - Agreeing/ reconciling financial statements with underlying accounting records.
    - Examining material journal entries & other adjustments
  - ✓ Responsive to Significant Risks
    - Substantive procedures should be specifically responsive to that significant risk.
    - Substantive procedures include ToD.

The program concluded by giving Vote of Thanks to the Speakers and the participants.

Glimpses of the Virtual Program held on 26<sup>th</sup> July 2023

