

BHUBANESWAR BRANCH OF EASTERN INDIA REGIONAL COUNCIL OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
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MARCH 25
ICAI
E-NEWSLETTER



Editorial



Dear Esteemed Members,

As we step into March 2025, we look forward to another month of insightful sessions, thought-provoking discussions, and impactful events. Your active engagement and unwavering support continue to be the driving force behind our success.

With the financial year drawing to a close, this is the perfect time to reflect on achievements, set new goals, and prepare for future opportunities. ICAI Bhubaneswar remains committed to empowering you through initiatives that enhance knowledge, promote best practices, and uphold excellence in the profession.

This month, we have a dynamic lineup of enriching programs designed to foster learning and professional growth. I encourage you to explore the details in this newsletter and participate actively. Stay connected via www.bhubaneswar-icai.org, and let's continue shaping the future of the CA profession together.

A sincere thank you to our dedicated members whose efforts propel us toward new milestones. Together, let's build a lasting legacy of excellence, innovation, and progress.

Wishing you all a productive and fulfilling month ahead!

Warm regards,

CA. Mahendra Kumar Sahoo

Chairman, ICAI Bhubaneswar Branch

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Members area of Interest

Observations related to SA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

Observation1:

There has been no documentation showing the performance of audit procedures to detect fraud as required by SA 240. Also, it has been seen that the management representation obtained does not contain confirmations from the management or (those charged with governance) stating that they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; and stating whether they have disclosed to the auditor their knowledge of fraud, suspected fraud, or any allegations of fraud or suspected fraud, affecting the entity.

| What is the issue? | AASB Suggested Guidance | Technical Literature |
|--|--|---|
| What are the requirements of SA 240 w.r.t documentation and obtaining management representation? | As per SA 240, due to the nature of fraud and the difficulties encountered by auditors in detecting material misstatements in the financial statements resulting from fraud, it is important that the auditor obtain a written representation from management and, where appropriate, those charged with governance confirming that they have disclosed to the auditor: (a) The results of management's assessment of the risk that the financial | Para 12 of SA 240: In accordance with SA 200, the auditor shall maintain professional scepticism throughout the audit, recognizing the possibility that a material misstatement due to fraud could exist, notwithstanding the auditor's past experience of the honesty and integrity of the entity's management and those charged with governance. (Ref: Para. A7- A8) Para 17 of SA 240: The auditor shall make inquiries of management regarding: (a) Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the |



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| | <p>statements may be materially misstated as a result of fraud; and</p> <p>(b) Their knowledge of actual, suspected or alleged fraud affecting the entity.</p> <p>SA 240 prescribes detailed documentation requirements w.r.t. identifying and assessing risks of material misstatements due to fraud and auditor's responses to assessed risks of material misstatements due to fraud.</p> | <p>nature, extent and frequency of such assessments; (Ref: Para. A12-A13)</p> <p>(b) Management's process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (Ref: Para. A14)</p> <p>(c) Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity; and</p> <p>(d) Management's communication, if any, to employees regarding its views on business practices and ethical behaviour.</p> |
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Para 21 of SA 240:

The auditor shall make inquiries of management, and others within the entity as appropriate, to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. (Ref: Para. A15-A17)

Para 18 of SA 240:

The auditor shall make inquiries of management, and others within the entity as appropriate, to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. (Ref: Para. A15-A17)



any actual, suspected or alleged fraud affecting the entity. These inquiries are made in part to corroborate the responses to the inquiries of management.

Para 24 of SA 240:

The auditor shall evaluate whether the information obtained from the other risk assessment procedures and related activities performed indicates that one or more fraud risk factors are present. While fraud risk factors may not necessarily indicate the existence of fraud, they have often been present in circumstances where frauds have occurred and therefore may indicate risks of material misstatement due to fraud. (Ref: Para.A23-A27)

Para 25 of SA 240:

In accordance with SA 315, the auditor shall identify and assess the risks of material misstatement due to fraud at the financial statement level, and at the assertion level for classes of transactions, account balances and disclosures.

Para 28 of SA 240:

In accordance with SA 330, the auditor shall determine overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level. (Ref: Para.A33)

Para 30 of SA 240:



In accordance with SA 330, the auditor shall design and perform further audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement due to fraud at the assertion level. (Ref: Para A37A40)

Para 39 of SA 240:

The auditor shall obtain written representations from management and, where applicable, those charged with governance that:

(a) They acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;

(b) They have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud;

(c) They have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:

(i) Management;

(ii) Employees who have significant roles in internal control; or

(iii) Others where the fraud could have a material effect on the financial statements; and



(d) They have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. (Ref: Para A57-A58)

Para 44 of SA 240:

The auditor's documentation of the understanding of the entity and its environment and the assessment of the risks of material misstatement required by SA 315 shall include:

(a) The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's financial statements to material misstatement due to fraud; and

(b) The identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level.

Para 45 of SA 240:

The auditor's documentation of the responses to the assessed risks of material misstatement required by SA 330 shall include:



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| | | <p>(a) The overall responses to the assessed risks of material misstatement due to fraud at the financial statement level and the nature, timing and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level; and</p> <p>(b) The results of the audit procedures, including those designed to address the risk of management override of controls.</p> |
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Para 46 of SA 240:

The auditor shall document communications about fraud made to management, those charged with governance, regulators and others.

ON THE LIGHTER SIDE OF LIFE

Now have a laugh at our expense...

The Life of a Chartered Accountant in One Line

"Audit season: When my family files a missing person report!"

Source: Anonymous

Glimpses of Events

Seminar on Bank Branch Audit



International Women's Day Celebration



ODISHA NATIONAL-INTERNATIONAL POLITICS BUSINESS CRIME ENTERTAINMENT LIFESTYLE

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ICAI Bhubaneswar Branch Celebrates International Women's Day 2025

By Kalinca Voice — Last updated Mar 9, 2025

BUSINESS DAYS



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ଆଜ୍ୟିଏଅଇ





ଆଇସିଆଇ ଭୁବନେଶ୍ୱର ଶାଖାର ମହିଳା ବିବସା

ଆର୍ଥିକାରେ କୁବନେଶ୍ଵର ଶାଖାର ପୂର୍ବ
ରାତର ଅଞ୍ଚଳିକ ପରିଷଦ ଅନ୍ତର୍ଗତାରେ ମହିଳା
ଦିବସ ପାଳନ କରିଛି । ଉତ୍ସବକୁ ଆସାଯାଇ,
ଆତ୍ମପୂର୍ବ ଅନ୍ତର୍ଭାବୀ ପିଯୋନିଆର ପରିବର୍ତ୍ତନ,
ସେଟେ ତ୍ରେଣ୍ଟ ଶାର୍ଶକରେ ଆୟୋଜିତ ହୋଇଥିଲା ।
ଆର୍ଥିକାରେ ମହିଳା ଏବଂ ଯୁବ ସମୟ ଭାବରେ
କମିଟି (ତତ୍ତ୍ଵବ୍ୟାପରେଣମର୍ମି) ଦାରା ଆୟୋଜିତ
ଏହି କାର୍ଯ୍ୟକୁଳ କୁବନେଶ୍ଵର ଆର୍ଥିକାରେ
ଭବନରେ ଅନୁସିଦ୍ଧ ହୋଇଥିଲା । ବୁର୍ଜିଗତ
ଅଭିଭବି ଏବଂ ବ୍ୟକ୍ତିଗତ ସମ୍ବନ୍ଧରଙ୍ଗ ଉପରେ
ପରିଚ୍ୟାପର୍ଯ୍ୟ ଆଲୋଚନାକୁ କୁଥୁର୍ବାବେଳେ ଏହି
ଉତ୍ସବ ସଫଳତାର ସହ ଆକାରରେ ଦୂରି ତଥା
ଏହି କ୍ଷେତ୍ରରେ ମହିଳାଙ୍କ ଅନ୍ତର୍ଗତ ଅବଦାନକୁ
ଆଲୋକିତ କରିଥିଲେ । କାର୍ଯ୍ୟକୁଳ ମୁଖ୍ୟ
ଅଭିଥ୍ୟ ଭାବେ ବିଧାନସଭା ବାଚସ୍ପତି ସ୍ଵର୍ଗମା ପାଇଁ
ଉପସ୍ଥିତ ଥିବାବେଳେ ସମ୍ମାନିତ ବ୍ୟକ୍ତିବିଶେଷଙ୍କ
ମଧ୍ୟରେ ପଦ୍ମଶ୍ରୀ ଡତ୍ତିଆ ଓ ଚାର କୃତ୍ୟଶିଳ୍ପୀ
ଜିଲ୍ଲାନା ସିରାକ୍ଷା ପ୍ରମୁଖ ଉପସ୍ଥିତ ଥିଲେ ।
କାର୍ଯ୍ୟକୁଳରେ ଅନ୍ତର୍ଗୁହନକାରୀଙ୍କ ସଂଶ୍ଲିଷ୍ଟ
କରିବାକୁ ଲକ୍ଷ୍ୟ ରଖାଯାଇଥିବା ବିଭିନ୍ନ
ଅଧିବେଶନ ଅନ୍ତର୍ଭାବକୁ ଜରାଯାଇଥିଲା ।