

**(CA INTERMEDIATE MOCK TEST MAY 2021)**
**DATE: 23.04.2021**
**MAXIMUM MARKS: 100**
**TIMING: 3¼ Hours**
**PAPER : AUDITING**
**DIVISION – A (MULTIPLE CHOICE QUESTIONS)**
**ANSWERS (1-20) CARRY 1 MARK EACH**

1. Ans. b
2. Ans. b
3. Ans. a
4. Ans. c
5. Ans. c
6. Ans. c
7. Ans. d
8. Ans. d
9. Ans. b
10. Ans. b
11. Ans. c
12. Ans. d
13. Ans. a
14. Ans. d
15. Ans. b
16. Ans. d
17. Ans. d
18. Ans. d
19. Ans. d
20. Ans. c

**ANSWERS (21-25) CARRY 2 MARKS EACH**

21. Ans. c
22. Ans. b
23. Ans. c
24. Ans. a
25. Ans. a

**DIVISION B-DESCRIPTIVE QUESTIONS  
QUESTION NO. 1 IS COMPULSORY  
ATTEMPT ANY FOUR QUESTIONS FROM THE REST**
**Answer 1:**

**Examine with reasons (in short) whether the following statements are correct or incorrect : (Attempt any 7 out of 8)**

- (i) **Incorrect:** "Sweat Equity Shares" means equity shares issued by the company to employees or directors at a discount or for consideration other than cash for providing know-how or making available right in the nature of intellectual property rights or value additions, by whatever name called.
- (ii) **Incorrect:** If Company X's balance sheet shows building with carrying amount of Rs. 100 lakh, the auditor shall assume that the management has claimed/ asserted that:
  - The building recognized in the balance sheet exists as at the period- end (existence assertion);

- Company X owns and controls such building (Rights and obligations assertion);
  - The building has been valued accurately in accordance with the measurement principles (Valuation assertion);
- All buildings owned and controlled by Company X are included within the carrying amount of Rs. 100 lakh (Completeness assertion).
- (iii) **Incorrect:** The securities premium account may be applied by the Company:
- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
  - (b) in writing off the preliminary expenses of the Company;
  - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
  - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
  - (e) for the purchase of its own shares or other securities under section 68.
- (iv) **Incorrect:** The auditor shall modify the opinion in the auditor's report when:
- (a) The auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement; or
  - (b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.
- (v) **Incorrect :**  
As per SA 210 "Agreeing the Terms of Audit Engagements", the Audit engagement letter is sent by the auditor to his client.
- (vi) **Incorrect :**  
Under provisions of Section 143 of the companies Act, 2013, auditor has to report whether the company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls. The auditor has to report on adequacy and effectiveness of internal financial controls only and not internal controls.
- (vii) **Incorrect :**  
An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.
- (viii) **Incorrect :**  
Statistical sampling has reasonably wide application where a population to be tested consists of a large number of similar items and more in the case of transactions involving compliance testing, trade receivables' confirmation, payroll checking, vouching of invoices and petty cash vouchers.

{One Mark for Correct or Incorrect and 1 Mark for Explanation}

**Answer 2:**

- (a) The assertions are as follows:
- (i) the firm owns the plant and machinery;
  - (ii) the historical cost of plant and machinery is Rs. 2 lacs; } {1 M}
  - (iii) the plant and machinery physically exists;
  - (iv) the asset is being utilised in the business of the company productively; } {1 M}
  - (v) total charge of depreciation on this asset is Rs. 83,000 to date on which Rs. 13,000 relates to the year in respect of which the accounts are drawn up; and } {1 M}
  - (vi) the amount of depreciation has been calculated on recognised basis and the calculation is correct. } {1 M}

**Answer:**

- (b)** The advantages of an audit programme are:
- (a) It provides the assistant carrying out the audit with total and clear set of instructions of the work generally to be done.
  - (b) It is essential, particularly for major audits, to provide a total perspective of the work to be performed.
  - (c) Selection of assistants for the jobs on the basis of capability becomes easier when the work is rationally planned, defined and segregated.
  - (d) Without a written and pre-determined programme, work is necessarily to be carried out on the basis of some 'mental' plan. In such a situation there is always a danger of ignoring or overlooking certain books and records. Under a properly framed programme, the danger is significantly less and the audit can proceed systematically.
  - (e) The assistants, by putting their signature on programme, accept the responsibility for the work carried out by them individually and, if necessary, the work done may be traced back to the assistant.
  - (f) The principal can control the progress of the various audits in hand by examination of audit programmes initiated by the assistants deputed to the jobs for completed work.
  - (g) It serves as a guide for audits to be carried out in the succeeding year.
  - (h) A properly drawn up audit programme serves as evidence in the event of any charge of negligence being brought against the auditor. It may be of considerable value in establishing that he exercised reasonable skill and care that was expected of professional auditor.

**{Any 8  
Points  
Each  
1/2  
Mark}**

**Answer:**

- (c)** Although written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own about any of the matters with which they deal. Furthermore, the fact that management has provided reliable written representations does not affect the nature or extent of other audit evidence that the auditor obtains about the fulfillment of management's responsibilities, or about specific assertions.
- Applying the above to the given problem, the auditor would further request the management to provide him with the Banker's certificate in support of fixed deposits held by the company.

**{2 M}**

**{1 M}**

**Answer:**

- (d)** Obtain an understanding of entity's process of charging depreciation and amortization. Obtain the fixed asset register maintained by the entity. There is always a risk that an entity could capitalize expense of revenue nature to increase its profit or charge capital expenditure directly in income and expense statement to reduce its profit. To address this risk, the auditor may choose to check the nature of asset from fixed asset register and further, there is always a risk that fake asset has been capitalized in the books and to mitigate this risk, auditors should physically verify the fixed assets, atleast the ones that are material in value.
- Obtain a list of all additions/ deletions along with their proper approval from the authorised person for the same.
- Select the sample of assets from the Fixed Assets Register, on materiality considerations and verify the rates of depreciation, depreciation calculation.
- Obtain the list of all the components identified by the management.
  - Ensure Intangible assets like patents, goodwill, copy rights have been properly amortized over the period.
  - Ensure depreciation is charged on the assets from the date when it is ready to use.

**{1 M}**

**{Any 4  
Points  
Each  
1/2  
Mark}**

- Ensure depreciation on revalued amount has been properly accounted from revaluation reserve.
- Depreciation computation as per Income tax Act, 1961- Ensure that additions are tallying with the additions as per Companies Act and the opening WDV to the Tax audit schedule for the assessment year preceding the previous year under audit.
- Perform analytical procedures to obtain audit evidence as to overall reasonableness of depreciation and amortisation expense- check the arithmetical accuracy of records and perform independent calculations example- compute or re-compute the depreciation expense for the year (Refer the format below that could be used for compiling reasonability of the expenditure for the year).

**Answer 3:**

- (a)** Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. Adequate planning benefits the audit of financial statements in several ways, including the following: {1 M}
1. Helping the auditor to devote appropriate attention to important areas of the audit.
  2. Helping the auditor identify and resolve potential problems on a timely basis.
  3. Helping the auditor properly organize and manage the audit engagement so that it is performed in an effective and efficient manner.
  4. Assisting in the selection of engagement team members with appropriate levels of capabilities and competence to respond to anticipated risks, and the proper assignment of work to them. {1/2 M  
Each point}
  5. Facilitating the direction and supervision of engagement team members and the review of their work.
  6. Assisting, where applicable, in coordination of work done by auditors of components and experts.

**Answer:**

- (b) Control Environment – Component of Internal Control:** The auditor shall obtain an understanding of the control environment. As part of obtaining this understanding, the auditor shall evaluate whether: {1/2 M}
- (i) Management has created and maintained a culture of honesty and ethical behavior; and
  - (ii) The strengths in the control environment elements collectively provide an appropriate foundation for the other components of internal control.

**What is included in Control Environment?**

The control environment includes:

- (i) the governance and management functions and
- (ii) the attitudes, awareness, and actions of those charged with governance and management.
- (iii) The control environment sets the tone of an organization, influencing the control consciousness of its people. {1/2 M}

**Elements of the Control Environment:** Elements of the control environment that may be relevant when obtaining an understanding of the control environment include the following:

- (a) **Communication and enforcement of integrity and ethical values –** These are essential elements that influence the effectiveness of the design, administration and monitoring of controls. {2 M}
- (b) **Commitment to competence –** Matters such as management’s consideration of the competence levels for particular jobs and how those levels translate into requisite skills and knowledge.

- (c) **Participation by those charged with governance** – Attributes of those charged with governance such as:
  - ◆ Their independence from management.
  - ◆ Their experience and stature.
  - ◆ The extent of their involvement and the information they receive, and the scrutiny of activities.
  - ◆ The appropriateness of their actions, including the degree to which difficult questions are raised and pursued with management, and their interaction with internal and external auditors.
- (d) **Management’s philosophy and operating style – Characteristics such as management’s:**
  - ◆ Approach to taking and managing business risks.
  - ◆ Attitudes and actions toward financial reporting.
  - ◆ Attitudes toward information processing and accounting functions and personnel.
- (e) **Organisational structure** – The framework within which an entity’s activities for achieving its objectives are planned, executed, controlled, and reviewed.
- (f) **Assignment of authority and responsibility** - Matters such as how authority and responsibility for operating activities are assigned and how reporting relationships and authorisation hierarchies are established. {1 M}
- (g) **Human resource policies and practices** – Policies and practices that relate to, for example, recruitment, orientation, training, evaluation, counseling, promotion, compensation, and remedial actions.

**Answer:**

(c) **Joint Audit:** The practice of appointing Chartered Accountants as joint auditors is quite widespread in big companies and corporations. Joint audit basically implies pooling together the resources and expertise of more than one firm of auditors to render an expert job in a given time period which may be difficult to accomplish acting individually. It essentially involves sharing of the total work. This is by itself a great advantage. {1 M}

In specific terms the **advantages** that flow may be the following:

- (i) Sharing of expertise.
- (ii) Advantage of mutual consultation.
- (iii) Lower workload.
- (iv) Better quality of performance.
- (v) Improved service to the client.
- (vi) Displacement of the auditor of the company taken over in a takeover often obviated. {1/2 M
- (vii) In respect of multi-national companies, the work can be spread using the expertise of the local firms which are in a better position to deal with detailed work and the local laws and regulations. Each Point}
- (viii) Lower staff development costs.
- (ix) Lower costs to carry out the work.
- (x) A sense of healthy competition towards a better performance.

**Answer 4:**

- (a) (1) **Advertisement Expenses:**
- (i) Verify the bills/invoices from advertising agency to ensure that rates charged for different types of advertisement are as per the contract. {1 M}
  - (ii) See that the advertisement relates to client’s business.

- (iii) Inspect the receipt issued by the agency.
  - (iv) Ascertain the nature of expenditure – revenue or capital expenditure and see that it has been recorded properly. }{1 M}
  - (v) Ascertain the period for which payment is made and see that prepaid amount, if any, is carried to the balance sheet. }{1 M}
  - (vi) See that all outstanding advertisement bills have been provided for.
- (2) **Sale of Scrap:**
- (i) Review the internal control as regards generation, storage and disposal of scrap.
  - (ii) Check whether the organization is maintaining reasonable record for generation of scrap.
  - (iii) Analyze the raw material used, production and generation pattern of scrap and compare the same with figures of earlier year. }{Any 6 Points Each 1/2 Mark}
  - (iv) Check the rates at which scrap has been sold and compare the rate with previous year.
  - (v) Vouch sales, with invoices raised, advertisement for tender, rate contract with scrap dealers.
  - (vi) Ensure that there exists a proper control procedure to identify scrap and good units and they are not mixed up and sold as scrap.
  - (vii) Make an overall assessment of the value of realization from scrap as to its reasonableness.

**Answer:**

- (b) Objective of the Auditor- To Express Clearly an Appropriately modified Opinion As per Standard on Auditing (SA) 705 "Modifications To The Opinion In The Independent Auditor's Report", the objective of the auditor is to express clearly an appropriately modified opinion on the financial statements that is necessary when:
- (a) The auditor concludes, based on the audit evidence obtained, that the financial statements as a whole are not free from material misstatement; or }{2 M}
  - (b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement. }{2 M}

**Answer:**

- (c) When corresponding figures are presented, the auditor's opinion shall not refer to the corresponding figures except in the following circumstances:
1. If the auditor's report on the prior period, as previously issued, included a qualified opinion, a disclaimer of opinion, or an adverse opinion and the matter which gave rise to the modification is unresolved, the auditor shall modify the auditor's opinion on the current period's financial statements. In the Basis for Modification paragraph in the auditor's report, the auditor shall either: }{2 M}
    - (a) Refer to both the current period's figures and the corresponding figures in the description of the matter giving rise to the modification when the effects or possible effects of the matter on the current period's figures are material; or
    - (b) In other cases, explain that the audit opinion has been modified because of the effects or possible effects of the unresolved matter on the comparability of the current period's figures and the corresponding figures.
  2. If the auditor obtains audit evidence that a material misstatement exists in the prior period financial statements on which an unmodified opinion has been previously issued, the auditor shall verify whether the misstatement has been }{1 M}

dealt with as required under the applicable financial reporting framework and, if that is not the case, the auditor shall express a qualified opinion or an adverse opinion in the auditor’s report on the current period financial statements, modified.

3. Prior Period Financial Statements Not Audited- If the prior period financial statements were not audited, the auditor shall state in an Other Matter paragraph in the auditor’s report that the corresponding figures are unaudited. Such a statement does not, however, relieve the auditor of the requirement to obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period’s financial statements. {1 M}

**Answer 5:**

- (a) Audit evidence is all the information used by the auditor in arriving at the conclusions on which the audit opinion is based. Written representations are necessary information that the auditor requires in connection with the audit of the entity’s financial statements. Accordingly, similar to responses to inquiries, written representations are audit evidence. {1/2 M}

Written representations are requested from those responsible for the preparation and presentation of the financial statements.

Although written representations provide necessary audit evidence, they do not provide sufficient appropriate audit evidence on their own about any of the matters with which they deal. Furthermore, the fact that management has provided reliable written representations does not affect the nature or extent of other audit evidence that the auditor obtains about the fulfillment of management’s responsibilities, or about specific assertions. {1/2 M}

**The objectives of the auditor regarding written representation**

The objectives of the auditor are:

- (a) **To obtain written representations**  
To obtain written representations from management. Also that management believes that it has fulfilled its responsibility for the preparation of the financial statements and for the completeness of the information provided to the auditor; {1 M}
- (b) **To support other evidence**  
To support other audit evidence relevant to the financial statements or specific assertions in the financial statements by means of written representations; and {1 M}
- (c) **To respond appropriately**  
To respond appropriately to written representations provided by management or if management does not provide the written representations requested by the auditor. {1 M}

**Answer:**

- (b) In considering the qualitative aspects of the entity’s accounting practices, the auditor may become aware of possible bias in management’s judgments. The auditor may conclude that lack of neutrality together with uncorrected misstatements causes the financial statements to be materially misstated. Indicators of a lack of neutrality include the following: {2 M}

- (i) The selective correction of misstatements brought to management’s attention during the audit.

**Example**

- ◆ Correcting misstatements with the effect of increasing reported earnings, but not correcting misstatements that have the effect of decreasing reported earnings. {2 M}

- ◆ The combination of several deficiencies affecting the same significant account or disclosure (or the same internal control component) could amount to a significant deficiency (or material weakness if required to be communicated in the jurisdiction). This evaluation requires judgment and involvement of audit executives. {2 M}
- (ii) Possible management bias in the making of accounting estimates.

**Answer:**
**(c) Duties of C&AG: The Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 lays down duties of the C&AG as under-**

- (i) **Compile and submit Accounts of Union and States** - The C&AG shall be responsible for compiling the accounts of the Union and of each State from the initial and subsidiary accounts rendered to the audit and accounts offices under his control by treasuries, offices or departments responsible for the keeping of such account. {1 M}
- (ii) **General Provisions Relating to Audit - It shall be the duty of the C&AG-**
  - (a) to audit and report on all expenditure from the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to ascertain whether the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it;
  - (b) to audit and report all transactions of the Union and of the States relating to Contingency Funds and Public Accounts;
  - (c) to audit and report on all trading, manufacturing profit and loss accounts and balance-sheets and other subsidiary accounts kept in any department of the Union or of a State. {1 M}
- (iii) **Audit of Receipts and Expenditure** - Where any body or authority is substantially financed by grants or loans from the Consolidated Fund of India or of any State or of any Union Territory having a Legislative Assembly, the Comptroller and Auditor General shall, subject to the provisions of any law for the time being in force applicable to the body or authority, as the case may be, audit all receipts and expenditure of that body or authority and to report on the receipts and expenditure audited by him.
- (iv) **Audit of Grants or Loans** - Where any grant or loan is given for any specific purpose from the Consolidated Fund of India or of any State or of any Union Territory having a Legislative Assembly to any authority or body, not being a foreign State or international organisation, the Comptroller and Auditor General shall scrutinise the procedures by which the sanctioning authority satisfies itself as to the fulfillment of the conditions subject to which such grants or loans were given and shall for this purpose have right of access, after giving reasonable previous notice, to the books and accounts of that authority or body. {1 M}
- (v) **Audit of Receipts of Union or States** - It shall be the duty of the Comptroller and Auditor General to audit all receipts which are payable into the Consolidated Fund of India and of each State and of each Union Territory having a Legislative Assembly and to satisfy himself that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed and to make this purpose such examination of the accounts as he thinks fit and report thereon.



- (vi) **Audit of Accounts of Stores and Inventory** - The Comptroller and Auditor General shall have authority to audit and report on the accounts of stores and inventory kept in any office or department of the Union or of a State.
- (vii) **Audit of Government Companies and Corporations** - The duties and powers of the Comptroller and Auditor General in relation to the audit of the accounts of government companies shall be performed and exercised by him in accordance with the provisions of the Companies Act, 2013. The comptroller and Auditor - General of India shall appoint the auditor under sub-section (5) or sub-section (7) of section 139 (i.e. appointment of First Auditor or Subsequent Auditor) and direct such auditor the manner in which the accounts of the Government company are required to be audited and thereupon the auditor so appointed shall submit a copy of the audit report to the Comptroller and Auditor-General of India which, among other things, include the directions, if any, issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the company. {1 M}

**Answer 6:**

- (a) **Substantive Analytical Procedure:** Substantive analytical procedures are generally more applicable to large volumes of transactions that tend to be predictable over time. The application of planned analytical procedures is based on the expectation that relationships among data exist and continue in the absence of known conditions to the contrary. However, the suitability of a particular analytical procedure will depend upon the auditor's assessment of how effective it will be in detecting a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated. {2 M}
- In some cases, even an unsophisticated predictive model may be effective as an analytical procedure. For example, where an entity has a known number of employees at fixed rates of pay throughout the period, it may be possible for the auditor to use this data to estimate the total payroll costs for the period with a high degree of accuracy, thereby providing audit evidence for a significant item in the financial statements and reducing the need to perform tests of details on the payroll. The use of widely recognised trade ratios (such as profit margins for different types of retail entities) can often be used effectively in substantive analytical procedures to provide evidence to support the reasonableness of recorded amounts. {1 M}

**Answer:**

- (b) The chief utility of audit lies in reliable financial statements on the basis of which the state of affairs may be easy to understand. Apart from this obvious utility, there



are other advantages of audit. Some or all of these are of considerable value even to those enterprises and organisations where audit is not compulsory, these advantages are given below:



- (a) It safeguards the financial interest of persons who are not associated with the management of the entity, whether they are partners or shareholders, bankers, FI's, public at large etc.
- (b) It acts as a moral check on the employees from committing defalcations or embezzlement.
- (c) Audited statements of account are helpful in settling liability for taxes, negotiating loans and for determining the purchase consideration for a business.
- (d) These are also useful for settling trade disputes for higher wages or bonus as well as claims in respect of damage suffered by property, by fire or some other calamity.
- (e) An audit can also help in the detection of wastages and losses to show the different ways by which these might be checked, especially those that occur due to the absence or inadequacy of internal checks or internal control measures.
- (f) Audit ascertains whether the necessary books of account and allied records have been properly kept and helps the client in making good deficiencies or inadequacies in this respect.
- (g) As an appraisal function, audit reviews the existence and operations of various controls in the organisations and reports weaknesses, inadequacies, etc., in them.
- (h) Audited accounts are of great help in the settlement of accounts at the time of admission or death of partner.
- (i) Government may require audited and certified statement before it gives assistance or issues a license for a particular trade.

{Any 8 points each 1/2 Mark}

**Answer:**

- (c) The auditor is not expected to, and cannot, reduce audit risk to zero and cannot therefore obtain absolute assurance that the financial statements are free from material misstatement due to fraud or error. This is because there are inherent limitations of an audit. The inherent limitations of an audit arise from:
  - (i) The Nature of Financial Reporting: The preparation of financial statements involves judgment by management in applying the requirements of the entity's applicable financial reporting framework to the facts and

{Each Point 1 Mark}

- circumstances of the entity. In addition, many financial statement items involve subjective decisions or assessments or a degree of uncertainty, and there may be a range of acceptable interpretations or judgments that may be made.
- (ii) **The Nature of Audit Procedures:** There are practical and legal limitations on the auditor’s ability to obtain audit evidence. For example:
1. There is the possibility that management or others may not provide, intentionally or unintentionally, the complete information that is relevant to the preparation and presentation of the financial statements or that has been requested by the auditor.
  2. Fraud may involve sophisticated and carefully organised schemes designed to conceal it. Therefore, audit procedures used to gather audit evidence may be ineffective for detecting an intentional misstatement that involves, for example, collusion to falsify documentation which may cause the auditor to believe that audit evidence is valid when it is not. The auditor is neither trained as nor expected to be an expert in the authentication of documents.
  3. An audit is not an official investigation into alleged wrongdoing. Accordingly, the auditor is not given specific legal powers, such as the power of search, which may be necessary for such an investigation.
- (iii) **Timeliness of Financial Reporting and the Balance between Benefit and Cost:** The matter of difficulty, time, or cost involved is not in itself a valid basis for the auditor to omit an audit procedure for which there is no alternative.  
 Appropriate planning assists in making sufficient time and resources available for the conduct of the audit. Notwithstanding this, the relevance of information, and thereby its value, tends to diminish over time, and there is a balance to be struck between the reliability of information and its cost.
- (iv) **Other Matters that Affect the Limitations of an Audit:** In the case of certain subject matters, limitations on the auditor’s ability to detect material misstatements are particularly significant. Such assertions or subject matters include:
- Fraud, particularly fraud involving senior management or collusion.
  - The existence and completeness of related party relationships and transactions.
  - The occurrence of non-compliance with laws and regulations.
  - Future events or conditions that may cause an entity to cease to continue as a going concern.

**Answer:**

- (d) Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. Adequate planning benefits the audit of financial statements in several ways, including the following:
1. Helping the auditor to devote appropriate attention to important areas of the audit.
  2. Helping the auditor identify and resolve potential problems on a timely basis.
  3. Helping the auditor properly organize and manage the audit engagement so that it is performed in an effective and efficient manner.
  4. Assisting in the selection of engagement team members with appropriate levels of capabilities and competence to respond to anticipated risks, and the proper assignment of work to them.

**{Each Point 1/2 Mark}**

5. Facilitating the direction and supervision of engagement team members and the review of their work.
6. Assisting, where applicable, in coordination of work done by auditors of components and experts.

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*Mittal Commerce Classes*