



# ELAN

## SICASA MANGALORE

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THE PAIN YOU FEEL  
TODAY WILL BE THE  
STRENGTH YOU FEEL  
TOMORROW

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FEBRUARY  
EDITION

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# FROM THE CHAIRMAN'S DESK

**Dear Friends,**



**For those who have written the exams and who would have got their results by now, I would like to congratulate those who have cleared the exams. However, those who are unable to clear, I request you to have patience, be more focused and committed to your goals and not to lose heart in your determination to become a Chartered Accountant. Now, the results are out, you need to start warming up for the next exams and get less distracted with other activities.**

**I am sure that most of you have enjoyed January with the CA Fest and the cricket tournament, which helps in building bonds and friendship. I urge all of you to participate in the Study Circles organized by the SICASA committee.**

**I would like to continue with my series on important ingredients to become successful. This month, I shall talk on the fourth pillar, attitude. You may be knowledgeable, have skills to do the job, and have a good value system.**



**But what is required to deliver in the most appropriate manner and within time and to deliver beyond the expectation of your employer or clients, would be the right attitude which you possess. You need to constantly think whether you can perform the job more efficiently and effectively, whether your presentation and communication can be improved, how can you make things great for others and in what way can you help your colleagues without interfering in their work or being a nuisance to them. A right attitude can achieve a lot of things which you could not have otherwise imagined. Attitude starts with me. How approachable am I to others. How can I respond to a situation or the circumstance.**

**Next month, would be my last message for you in ELAN, I would wrap up with the fifth ingredient for success. Till then, good bye.**

**The following events are planned in February 2019**

**Study Circles**

**Industrial Visit**

**One day Seminar in Alva's**

**With Warm Regards,**

**CA Abdur Rahman Musba**

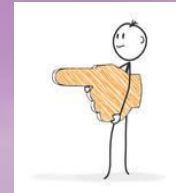
**Chairman – SICASA**

# **ELAN POSTS & ARTICLES**



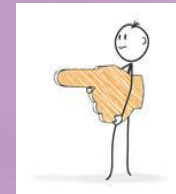
**SA 315**

**THE EXCELSIOR**



**CROSSWORD PUZZLE**

**ART BY STUDENTS**



**SOME HIGHLIGHTS ON BUDGET**

# **SA 315**

## **IDENTIFYING AND ASSESSING THE RISK OF MATERIAL MISSTATEMENT THROUGH UNDERSTANDING THE ENTITY AND ITS ENVIRONMENT**

### **Objective:**

- To identify and assess the risk of material misstatement due to fraud or Error at assertion level and financial statement level through understanding entity and its environment including entity's internal control .
- To provide basis for designing and implementing responses to the assessed risk .
- Help the auditor to reduce risk to an acceptably low level.



### **Important Definitions:**

- **Assertions**
- **Business Risk**
- **Internal Control**
- **Risk assessment Procedures**
- **Significant Risk**

### **Contents :**

- i. Risk assessment procedures, including internal controls**
- ii. Understanding the entity and its environment, including internal controls**
- iii. Assessing the risks of material misstatement (RMM), including identifying significant risks**
- iv. Communicating with management/those charged with governance**
- v. Documentation**



## **Explanation :**

### **1. Risk assessment procedures, including internal controls:**

- Auditor should perform the following risk assessment procedures to obtain an understanding of the entity, its environment, and its controls:
  - a) Inquiries of management /staff.
  - b) Analytical procedures.
  - c) Observation and inspection.
- The members of the audit team should discuss the susceptibility of the entity's financial report to material misstatements.
- The discussion needs to be documented, including any significant decisions reached.
- Auditor should consider whether information obtained by the engagement partner is relevant to identify the risk.
- Where the auditor is intended to use information obtained in prior periods, he need to check that the information is still relevant.



## **2. Understanding the entity and its environment, including internal controls:**

- Auditor need to obtain an understanding of:
  - Relevant industry, regulatory, and other external factors including the applicable financial reporting framework
  - The nature of the entity
  - The entity's accounting policies and whether they are appropriate
- Obtain an understanding of the entity's objectives and strategies, and the related business risks that may result in material misstatements.
- Measurement and review of the entity's financial performance.
- Obtain an understanding of internal control relevant to the audit:



**This comprises five elements:**

- a. The control environment**
- b. The entity's risk assessment process**
- c. The information system**
- d. Control activities**
- e. Monitoring of controls**

**3. Assessing the risks of material misstatement (RMM), including identifying significant risks:**

- Using the information obtained thus far, identify and assess the RMM at the financial report level, and at the assertion level for classes of transactions, account balances and disclosures.**
- As part of the risk assessment, determine which of the risks identified are risks that require special audit consideration (such risks are defined as 'significant risks').**



- For significant risks, evaluate the design of the entity's related controls and determine whether they have been implemented.
- To determine implementation, it is most likely auditor will need to test controls (select sample etc).
- As part of the risk assessment, evaluate the entity's controls over those risks for which it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures.

#### **4. Communicating with management/those charged with governance:**

**Must make those charged with governance/management aware, as soon as practicable, of material weaknesses in internal control.**



## **5. Documentation:**

- ***Matters to be documented include:***
  - ❖ **Discussions amongst the audit team**
  - ❖ **Key elements of the understanding obtained of the entity, including each of the internal control components, and the risk of material misstatements**
  - ❖ **The assessed risk of material misstatement at the financial report and assertion level**
  - ❖ **Risk areas where substantive procedures did not provide sufficient evidence, and the related controls evaluated**



**Arundhathi Devi Kote**  
**SRO0416081**



# **THE EXCELSIOR**

**Life is short and adventurous,  
Imagination is sharp as pride,  
Greatness comes from your work,  
Get into the seat, to spectate the marvelous ride.**

**Never did I dream of wealth,  
Never did I thought I will succeed at career,  
I just followed my heart to reach people,  
To spark a smile who do fear.**

**I created Spiderman, Ironman, Thor and so much more,  
To bring comics a new genre of interest,  
Never did I believe they would be on the big screen,  
To stand a Legend among the rest.**

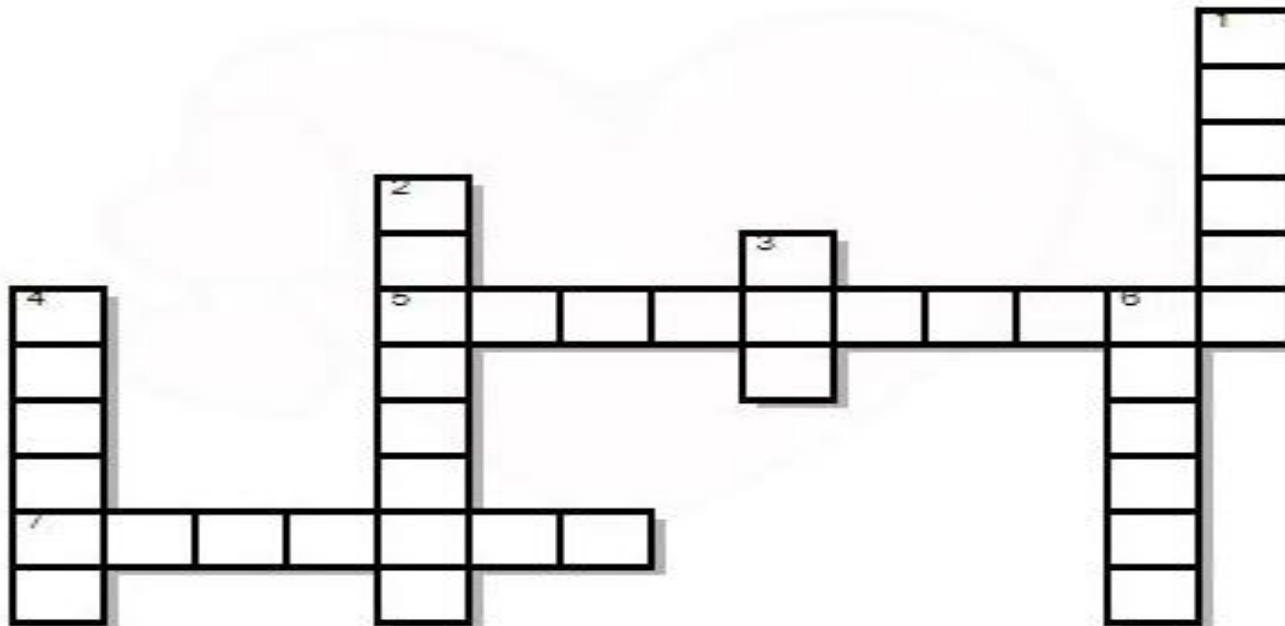
**I think I have created a world for people,  
Where all unite together, and I'm the Creator,  
I leave behind my last cameo in the end game,  
And live forever as an 'Excelsior'.**



**Prem Raveendran  
SRO0457849**



# CROSSWORD PUZZLE



## ACROSS

- 5 Monetary asset purchased with the idea that the asset will provide income in future.
- 7 Association with another/Organisation that makes business in order to make money.

## DOWN

- 1 Written account of something that one has observed
- 2 Body established to settle certain types of disputes.
- 3 Responsibility of a company for social causes.
- 4 Moral Principles that govern one's behaviour.
- 6 Current President of ICAI

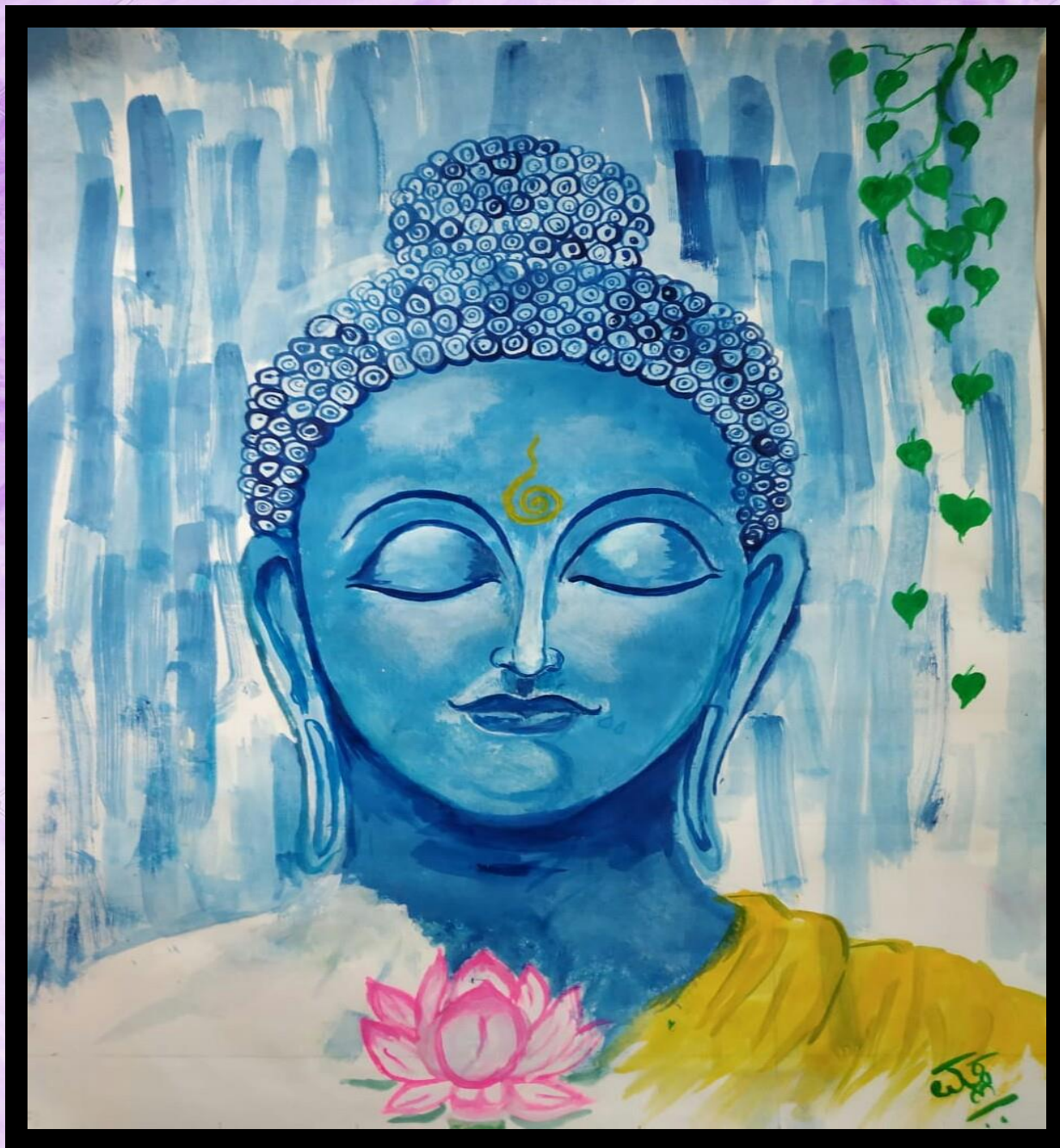


# ART BY STUDENTS



**PRASHANTH**  
**SRO0613337**





**MALLIKA M**  
**SRO0510455**



# **SOME HIGHLIGHTS OF BUDGET 2019**

- 1. Within 2 years, Tax assessment will be done electronically.**
- 2. IT returns processing in just 24 hours.**
- 3. Minimum 14% revenue of GST to states by Central Govt.**
- 4. Custom duty has abolished from 36 Capital Goods.**
- 5. Recommendations to GST council for reducing GST rates for home buyers.**
- 6. Full Tax rebate upto 5 lakh annual income after all deductions.**
- 7. Standard deduction has increased from 40000 to 50000.**
- 8. Exempt on tax on second self-occupied house.**
- 9. Ceiling Limit of TDS u/s 194A has increased from 10000 to 40000.**
- 10. Ceiling Limit of TDS u/s 194I has increased from 180000 to 240000.**
- 11. Capital tax Benefit u/s 54 has increased from investment in one residential house to two residential houses.**
- 12. Benefit u/s 80IB has increased to one more year i.e. 2020.**
- 13. Benefit has given to unsold inventories has increased from one year to two years.**
- 14. Tax free Gratuity limit increased to 20 Lakhs from 10 Lakhs.**
- 15. Bonus will be applicable for workers earning 21000 monthly.**

# ACTIVITY REPORT

Sl.No	Activity	Date	No of Students
1	CA Students Fest	6-01-2019	150 Students
2	Advance MCS	10-01-19 to 28-01-19	40 Students
3	Study Circle	17-01-2019	13 Students
4	Orientation	17-01-19 to 4-02-19	36 Students
5	ITT	23-01-19 to 7-02-19	27 Students
6	Republic Day Cricket Tournament	26-01-19 & 27-01-19	23 Teams of 14 each
7	Study Circle	30-01-2019	22 Students



# PHOTO GALLERY

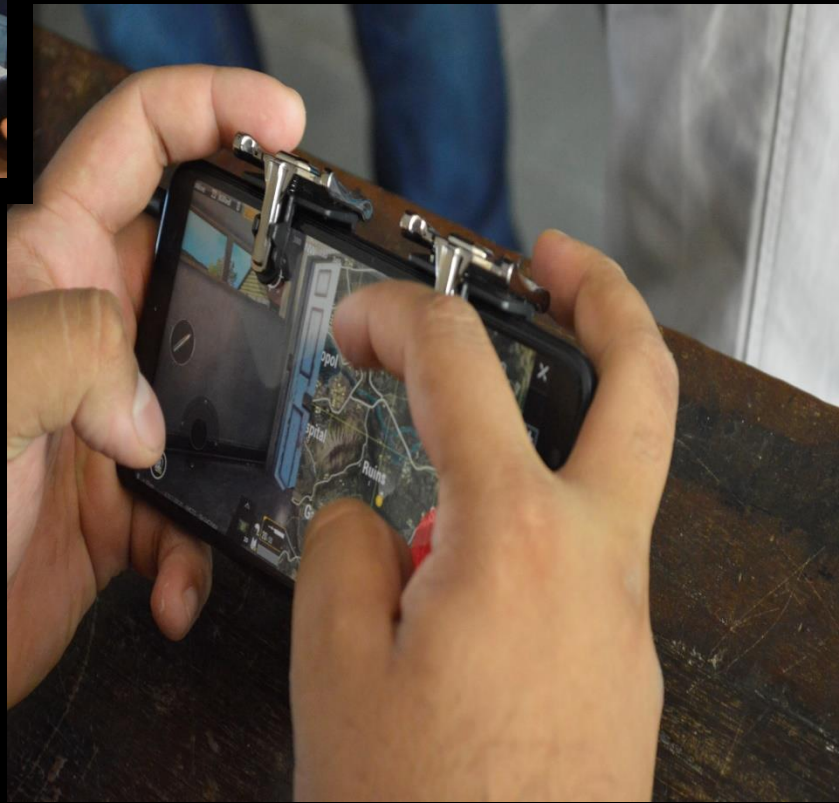


**FACE PAINTING COMPETITION IN CA STUDENTS FEST  
EXCELSIORS**



## **COOKING COMPETITION**

## **PUBG COMPETITION**







**CULTURAL COMPETITION AND PRIZE DISTRIBUTION**



**STUDY CIRCLE**  
**PRESENTED BY : SHREESHAKRISHNA S**  
**GUIDED BY : CA DHARA THAKKAR**  
**TOPIC : SHARE BUYBACK**





## **REPUBLIC DAY CRICKET TOURNAMENT**



**STUDY CIRCLE**  
**PRESENTED BY : SMITHA MADHAVI**  
**GUIDED BY : CA VISHWESHWARA P**  
**TOPIC : SECTION 80P OF INCOME TAX ACT,1961**



# QUOTE

Don't forget you're human.  
It's okay to have a  
meltdown. Just don't  
unpack and live there.  
Cry it out. Then refocus  
on where you're headed.

[iloveemylsi.com](http://iloveemylsi.com)

# ARTICLES INVITED FOR ELAN

Articles invited from students for inclusion in the forthcoming issues of Mangalore-SICASA e-magazine "ELAN". The Articles should be received at our end latest by 25th of every month for which Articles to be published.

Students should note that, the articles is original in all respects and does not infringe any copyright, and that, same has not been published elsewhere or has not been sent for publication.

All correspondences in this regard should be mailed to [mangaloresicasa@gmail.com](mailto:mangaloresicasa@gmail.com) with full name, contact details, registration number and a photo. For further queries contact mangaloresicasa@gmail.com

# PRESENTATIONS / SPEAKERS INVITED FOR STUDY CIRCLES / SEMINARS

Speakers / Presentations invited from students for Study Circles / Seminars to be organised at Mangalore-SICASA in forthcoming months. Topics covered in Study Circles / Seminars are, relevant topics of Companies Act 2013, topics under Ind AS, topics under Direct taxes- taxability/deductions etc, topics wrt filing of Income Tax Returns/ TDS returns, topics wrt GST updates, topics under ICDS etc. Students should note that, the presentation is original and does not infringe any copyright, and that, the same has not been presented elsewhere or has not been sent for presentation. All correspondences in this regard should be mailed to [mangaloresicasa@gmail.com](mailto:mangaloresicasa@gmail.com) with full name, contact details, registration number and a photo.. — Regards, Team SICASA



**KEEP  
WAITING  
FOR  
NEXT  
ELAN**

**DO FOLLOW US**

**sicasamangalore**



**Sicasa Mangalore**



**mangalore-icai.org**

**PLEASE DO SEND YOUR  
FEEDBACKS & ARTICLES TO  
[mangaloresicasa@gmail.co  
m](mailto:mangaloresicasa@gmail.com)**