

**BANK AUDIT - ACCOUNTING STANDARDS ISSUED BY THE ICAI G**

**PREFACE TO THE STATEMENTS OF ACCOUNTING STANDARDS  
FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF FINANCIAL  
STATEMENTS**

**ACCOUNTING STANDARDS (ASs)**

- AS 1** DISCLOSURE OF ACCOUNTING POLICIES
- AS 2** VALUATION OF INVENTORIES
- AS 3** CASH FLOW STATEMENTS \*
- AS 4** CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE
- AS 5** NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES
- AS 6** DEPRECIATION ACCOUNTING
- AS 7** CONSTRUCTION CONTRACTS (REVISED 2002)
- AS 7** ACCOUNTING FOR CONSTRUCTION CONTRACTS
- AS 8** ACCOUNTING FOR RESEARCH AND DEVELOPMENT
- AS 9** REVENUE RECOGNITION
- AS 10** ACCOUNTING FOR FIXED ASSETS
- AS 11** ACCOUNTING FOR THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES \*\*
- AS 12** ACCOUNTING FOR GOVERNMENT GRANTS
- AS 13** ACCOUNTING FOR INVESTMENTS \*\*\*
- AS 14** ACCOUNTING FOR AMALGAMATIONS
- AS 15** EMPLOYEE BENEFITS
- AS 16** BORROWING COSTS
- AS 17** SEGMENT REPORTING \*
- AS 18** RELATED PARTY DISCLOSURES \*
- AS 19** LEASES
- AS 20** EARNINGS PER SHARE #
- AS 21** CONSOLIDATED FINANCIAL STATEMENTS @
- AS 22** ACCOUNTING FOR TAXES ON INCOME
- AS 23** ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS @
- AS 24** DISCONTINUING OPERATIONS @@
- AS 25** INTERIM FINANCIAL REPORTING @@@
- AS 26** INTANGIBLE ASSETS
- AS 27** FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES @@
- AS 28** IMPAIRMENT OF ASSETS @@
- AS 29** PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS @@

\* Mandatory for entities having a turnover exceeding Rs. 50 crores during the year.

\*\* The standard applies to translation of financial statements of foreign branches of banks and not to forward exchange transactions

\*\*\* Does not apply to banks.

# Mandatory where equity or potential equity shares are listed on a recognised stock exchange and for companies required to disclose information (Part IV of Schedule VI)

@ Applicable where consolidated financial statements are prepared.

@@ Mandatory from the year commencing on 1.4.2004.

@@@ Mandatory where such statements are prepared

++ Mandatory for accounting periods commencing on or after 1-4-2006

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ICAI has also issued Accounting Standard Interpretations (ASI) and General Clarifications(GC). Both are issued under the authority of the Accounting Standard Board; and in addition, the ASIs are issued under the authority of the Council.

**(Refer to Section G.II to understand about the applicability of the Accounting Standards)**

Sl.	Auditing and Assurance Standard (AAS) No.	Title of the Auditing and Assurance Standard	Date from which effective
01	AAS 1	Basic Principles Governing an Audit	Effective for all audits related to accounting periods beginning on or after April 1, 1985.
02	AAS 2	Objective and Scope of an Audit of Financial Statements	Effective for all audits related to accounting periods beginning on or after April 1, 1985.
03	AAS 3	Documentation	Effective for all audits related to accounting periods beginning on or after July 1, 1985.
04	AAS 4	The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements	Effective for all audits related to accounting periods beginning on or after April 1, 2003.
05	AAS 5	Audit Evidence	Effective for all audits related to accounting periods beginning on or after January 1, 1989.
06	AAS 6	Risk Assessments and Internal Control	Effective for all audits related to accounting periods beginning on or after April 1, 2002.
07	AAS 7	Relying Upon the Work of an Internal Auditor	Effective for all audits related to accounting periods beginning on or after April 1, 1989.
08	AAS 8	Audit Planning	Effective for all audits related to accounting periods beginning on or after April 1, 1989.
09	AAS 9	Using the Work of an Expert	Effective for all audits related to accounting periods beginning on or after April 1, 1991.
10	AAS 10	Using the Work of Another Auditor	Effective for all audits related to accounting periods beginning on or after April 1, 2002.
11	AAS 11	Representations by Management	Effective for all audits related to accounting periods beginning on or after April 1, 1995.
12	AAS 12	Responsibility of Joint Auditors	Effective for all audits related to accounting periods beginning on or after

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			April 1, 1996.
13	AAS 13	Audit Materiality	Effective for all audits related to accounting periods beginning on or after April 1, 1996.
14	AAS 14	Analytical Procedures	Effective for all audits related to accounting periods beginning on or after April 1, 1997.
15	AAS 15	Audit Sampling	Effective for all audits related to accounting periods beginning on or after April 1, 1998.
16	AAS 16	Going Concern	Effective for all audits related to accounting periods beginning on or after April 1, 1999.
17	AAS 17	Quality Control for Audit Work	Effective for all audits related to accounting periods beginning on or after April 1, 1999.
18	AAS 18	Audit of Accounting Estimates	Effective for all audits related to accounting periods beginning on or after April 1, 2000.
19	AAS 19	Subsequent Events	Effective for all audits related to accounting periods beginning on or after April 1, 2000.
20	AAS 20	Knowledge of the Business	Effective for all audits related to accounting periods beginning on or after April 1, 2000.
21	AAS 21	Consideration of Laws and Regulations in an Audit of Financial Statements	Effective for all audits related to accounting periods beginning on or after July 1, 2001.
22	AAS 22	Initial Engagements – Opening Balances	Effective for all audits related to accounting periods beginning on or after July 1, 2001.
23	AAS 23	Related Parties	Effective for all audits related to accounting periods beginning on or after April 1, 2001.
24	AAS 24	Audit Considerations relating to Entities Using Service Organisations	Effective for all audits related to accounting periods beginning on or after April 1, 2003.
25	AAS 25	Comparatives	Effective for all audits related to

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			accounting periods beginning on or after April 1, 2003.
26	AAS 26	Terms of Audit Engagement	Effective for all audits related to accounting periods beginning on or after April 1, 2003.
27	AAS 27	Communications of Audit Matters with Those Charged with Governance	Effective for all audits related to accounting periods beginning on or after April 1, 2003.
28	AAS 28	The Auditor's Report on Financial Statements	Effective for all audits related to accounting periods beginning on or after April 1, 2003
29	AAS 29	Auditing in a Computer Information Systems Environment	Effective for all audits related to accounting periods beginning on or after April 1, 2003
30	AAS 30	External Confirmations	Effective for all audits related to accounting periods beginning on or after April 1, 2003.
31	AAS 31	Engagements to Compile Financial Information	Applicable to all compilation engagements beginning on or after April 1, 2004.
32	AAS 32	Engagements to Perform Agreed upon Procedures regarding Financial Information	Applicable to all agreed upon procedures engagements beginning on or after April 1, 2004.
33	AAS 33	Engagements to review Financial Statements	Applicable to all review engagements relating to accounting periods beginning on or after 1-4-2005
34	AAS 34	Audit Evidence - Additional Consideration for Specific Items.	Applicable to all audits relating to accounting periods beginning on or after 1-4-2005
35	AAS 35	The Examination of Prospective Financial Information (03/2007)	

**Compliance with the Auditing and Assurance Standards:** While discharging their attest function, it is the duty of the members of the Institute to ensure that the AASs are followed in the audit of financial information covered by their audit reports. If for any reason a member has not been able to perform an audit in accordance with the AASs, his report should draw attention to the material departures therefrom. Auditors are expected to follow AASs in the audits commencing on or after the date specified in the Statement.

**Linkage between AASs and Disciplinary Proceedings:** The Auditing and Assurance Standards (as well as other statements on auditing) represent the generally accepted procedure of audit. As such, a member who does not perform his audit in accordance with these statements and fails to disclose the material departures therefrom, may be liable to the disciplinary proceedings of the Institute under clause (9) of Part I of the Second Schedule to the Chartered Accountants Act which specifies that a member of the Institute shall be guilty of professional misconduct if he "fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances".