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TIRUPUR BRANCH OF SICASA

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Your views / suggestions / comments are Welcome. Kindly send your Contributions in the form of articles to tiruicai@gmail.com

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Dear CA Aspirants,

Welcome to our new newsletter, a place that is designed to inspire, inform, and connect you as you work towards your journey towards being successful Chartered Accountants.



As your Chairman, I am always in awe of the commitment and perseverance you show in working towards this demanding yet rewarding career. The journey ahead is certainly challenging, with long hours of study, gruelling examinations, and the ever-present necessity to keep pace with changing industry norms. But it is this very challenge that builds the character and skills that make a real CA.

In this edition, we've selected a mix of articles, insights, and updates that are specifically designed to assist your academic and professional growth. Don't forget, your experience is not merely about passing exams; it's about acquiring the critical thinking, ethical judgment, and professional skills that will guide you through your career. Take every challenge as a learning and growth opportunity.

The Institute and its staff are dedicated to giving you the tools and support you require to be successful. We invite you to participate actively with your fellow students, mentors, and professors. Don't be afraid to ask for assistance when you need it, and keep in mind that your determination will eventually bring you success.

As you go through the intricacies of your studies, always have your long-term objectives in mind. The CA qualification leads to a wide range of opportunities, and you can make a valuable contribution to the world of business and finance.

I wish you all the very best in your studies. Stay Motivated, Stay Focused, and never forget your dreams.

Thanks and Regards**CA. Vishnukumar M,****Chairman,****Tirupur Branch of SICASA**

AI in Audit

What is an Audit?

Audit is an independent examination of financial information of an entity, whether or not profit oriented, irrespective of its size, nature or legal form when such an examination is conducted with view to express an opinion thereon.

What is an AI?

AI (Artificial Intelligence) is a technology that enables computers to perform tasks that usually require human intelligence, it could learn, think, have reasoning capacity, understand the issue, and solve those problems by Machine learning.

Machine learning is the ability to understand and learn from the data and past experiences to identify the patterns and make reasonable predictions without human involvement.

Why Audit?

The purpose of an audit is to enhance the confidence of users of financial information of an entity. This enables the Users to make a financial decision.

It ensures compliance with laws and regulation, avoid paying hefty penalties.

It helps management identifying inefficiencies in operation and areas which need concentration and improvement.

Why AI in Audit?

Audit includes various risk assessment procedures, Performing Test of Controls and details, Analytical Procedures. The above stated procedures to be performed in entity having large volume of transactions and High complex area has become difficult due to automated environment.

Automated Environment

An automated Environment is the ability to carry out the business with less intervention of humans. The complexity of business depends on the level of automation, if the business environment is more automated, the business is likely to be more complex.

An auditor before proceed to audit has to break down the automated environment. The following ways can be helpful in breaking it down:

1. Information System (Application or software) being used.
2. The purpose of the Information System.
3. Architecture (Desktop based or Cloud Based or Web application).
4. Versions (Different functions in various versions).
5. Interfaces within application.
6. In-House or Packaged Version (Whether built particularly for the entity).
7. Key Persons Operating it.

How AI Can be Used?

AI-Based Audit Technology can be interlinked with other Supporting technology which helps the auditor to focus more on Material risk factor than on handling verification of data entry and validation process.

AI-Based Application opted will help auditors examining the huge data extracted from client's accounting application, Bank Statements eliminating the wastage of time in assessing those areas which carry minimal material misstatements.

Auditor fixing the Materiality threshold based on the entity's risk assessment process in the AI tool where the accounting data is imported will be classified as High-Risk Assessment areas, Medium Risk Assessment areas and Low Risk Assessment areas. This will enable the auditor to shift his focus from the Complete traditional method where scrutinizing most of the ledgers to scrutinizing reasonable ledgers based on Risk factor. Sampling methodologies like Stratified Sampling can be used to pick the samples from the Sub-Populations and perform the audit procedures to express opinion thereon.

Choosing the Right Audit Technology

Companies are investing more in modern and centralized ERP Systems. Depending on the Client environment and its maturity level of digitalization, auditors should combine their audit ideas considering client's environment to ensure the most suitable coverage for the audit.

Technology applied should add value to the audit and the client, technology not adding value is not advisable to implement. To assess the value of technology, the answer to the following question can be helpful:

1. Does it Reduce the time spent of audit?
2. Does it Provide valuable Insight?
3. Does it improve audit quality?
4. Does it help in mitigating the risk factor?

Will AI Replace Auditors?

The answer to the question can be optional at the end of auditors.

The main aspect of an audit is based on Professional judgement of Individual Independent person who's having expertise Knowledge in Accounting, Laws and Taxation parts.

The complete shift of AI in place of Auditors is quite impossible as AI's can make mistakes and have weakness. AI might find difficulties when assessing the following matters:

1. Unusual or Non-Recurring Transactions.
2. Areas where there is difficulty in finding or predicting the errors.
3. Changing Circumstances.

Monitoring the AI needs human intervention. It is evidential fact that AI can never replace the auditors, but **Auditors not using an AI can be replaced by the other auditor who is using an AI tool.**

Conclusion

Artificial Intelligence is being used in various fields and scenarios – deep exploration is being carried world wide by the investors in AI, the end state of AI has not been reached and explored, we're in the middle of adventure.

Coping up with changing environment is not a new task for Chartered Accountants, understanding how AI functions and using it wisely will help the auditors to sustain in the race and market.

- Raviraj S.B (SRO0756258)

*Hello, everyone! This is **Srinivasan Kumar**, and I'm excited to share a story.* How often do we ask or hear *"How are you?"* in conversations? And how often do we reply with *"I'm fine,"* even when we're not?

Let's reflect on the deeper meaning of this question. In my experience, it's not just a formality—it's an opportunity for genuine connection. Here's what *"How are you?"* can encompass:

1. Health

Health is the foundation of everything. Sadly, many people ignore their well-being due to financial constraints, busy schedules, or prioritizing others. Mental and physical health deteriorates quietly while we keep saying, *"I'm fine."*

"A healthy body fuels a resilient mind; without health, even the simplest tasks feel overwhelming."

2. Wealth

Money isn't everything, but it's essential for daily survival. Paying for food, utilities, education, and medical needs requires financial stability. Yet, many endure financial stress silently, unwilling to share their struggles.

"Money may not buy happiness, but its absence can add layers of stress."

3. Career

Career challenges often bring self-doubt and emotional strain. **While people may ask about our career out of politeness, their body language—checking the time, looking away—can reveal their lack of genuine interest.**

When genuine support is missing, we are left to navigate setbacks alone.

Through mentors, true friends, and self-reflection, we find the strength to rebuild.

"When the world fails to guide you, let your determination pave the way."

Beyond "I'm Fine"

Many hesitate to share their struggles because they fear judgment—or feel the other person simply doesn't care. But isn't it important to truly listen?

"A listening ear can be the greatest gift you give someone who's struggling."

I believe we should intentionally **set aside time** to check in on the people we care about.

Whether it's a Sunday evening or a late-night call, genuine conversations can bring comfort and connection.

"You don't need all the answers to make someone feel heard. Just show up."

The Power of Sharing

At the end of the day, **sharing is caring**. Genuine human connection goes beyond formalities. It's about creating a safe space where people feel valued, supported, and understood.

"A strong support system doesn't just hold you up; it reminds you that you're never alone."

So, the next time you ask someone, *"How are you?"* take a moment to truly listen. **You might just make their day—and yours, too.**

- Srinivasan Kumar (SRO0709965)

PHOTO GALLERY



SPECIAL PROGRAMME ON 07TH FEB



ITT PROGRAM WAS CONDUCTED FROM 11TH FEB

Telegram Channel Link



<https://bit.ly/tirupursicasa>

Whatsapp Channel Link



<https://bit.ly/tirupur-sicasa>