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| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **EGA title:** | \*Audit Program – Cash and Bank Balances | |
| **Ref. no.:** |  | |
| **Prepared by:** | ${user} | **Date:** |
| **Approved by Manager:** | ${manager} | **Date:** |
| **Approved by Partner:** | ${partner} | **Date:** |

The engagement team followed this audit program in the audit of cash and bank balances. Where applicable, the audit program was tailored and bespoke audit procedures were added.

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| **Audit objectives** | **Assertions** | **Risk assessment** | | |
| **IR** | **CR** | **CRA** |
| 1. Cash and bank balances are completely and accurately recorded. | CA |  |  |  |
| 1. All recorded cash and bank balances actually exist. | E |  |  |  |
| 1. Cash and bank balances recorded are owned by the client and title is also in the name of client. | R |  |  |  |
| 1. Cash and bank balances are recorded at appropriate values. | V |  |  |  |
| 1. Cash and bank balances are presented and all disclosures have been given in accordance with the Fourth/Fifth Schedules of the Companies Act, 2017 and relevant IAS/IFRS. | OCALRVU |  |  |  |
| **Audit procedures which satisfy audit objectives** | **Links** | | **Ref. no.** | |
| **Test of Controls** | | | | |
| 1. Document the key elements of understanding of the process, including activities in relation to: 2. Initiation and authorization; 3. Recording and processing of relevant transaction(s) and relevant I.T. applications, if any; and 4. Preparation of relevant disclosures.   Evaluate the design of system of internal control by enquiring relevant client personnel and documenting the same (if documented system manual has not been developed by the client). A walk through test would be necessary to confirm the understanding as documented. Identify the preventive (exercised before occurrence of transactions and event) and detective (exercised after occurrence of transactions and event) controls established by management to support its claims and determine whether they have been implemented. |  | |  | |
| 1. To test their effective operation, check on sample of selected transactions covering the whole period that all preventive controls are exercised on all transactions. |  | |  | |
| 1. To test their effective operation, check on a sample of transactions that detective controls are exercised and in case of any detection of fraud/error, proper steps have been taken to avoid recurrence of the same. |  | |  | |
| 1. Check that proper subsidiary ledger/ cash book has been maintained and entries are made in the same on prompt and consistent basis and the same is reconciled with general ledger. |  | |  | |
| 1. Check that proper bank reconciliations are prepared, checked and approved. Long outstanding items are followed up and proper disposition of such items is made. |  | |  | |
| 1. Check that proper segregation of duties between custodian and accounting and approving personnel exist. |  | |  | |
| 1. Check that payments vouchers are appropriately prepared and properly approved by designated authority. |  | |  | |
| 1. Ensure that management does not override the designed controls by: 2. Enquiring from the designated staff person; and 3. Remaining skeptical during performing test of design and test of effective operation. |  | |  | |
| 1. Ensure that reliance on the testing of controls at the interim stage or in earlier years is only relied upon where it is appropriate to do so. |  | |  | |
| 1. Document the conclusion after performing test of controls and required level of assurance from substantive procedures. |  | |  | |
| **Test of Details** | | | | |
| 1. Attend year end cash count and deposit verification. |  | |  | |
| 1. Circularize direct confirmations to all banks. Compare responses to client’s records and ensure that all balances etc. reported by bank in response to bank confirmation request are included in records of the client. |  | |  | |
| 1. Trace opening balances from general ledger and last year’s working papers. |  | |  | |
| 1. In case of initial audit engagements: 2. Read the most recent financial statements, if any, and the predecessor auditor’s report thereon, if any, for information relevant to opening balances, including disclosures. 3. Obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period’s financial statements by: 4. Determining whether the prior period’s closing balances have been correctly brought forward to the current period or, when appropriate, have been restated; 5. Determining whether the opening balances reflect the application of appropriate accounting policies; and 6. Performing one or more of the following: 7. Where the prior year financial statements were audited, reviewing the predecessor auditor’s working papers to obtain evidence regarding the opening balances; 8. Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or 9. Performing specific audit procedures to obtain evidence regarding the opening balances. 10. If the evidenced that the opening balances contain misstatements that could materially affect the current period’s financial statements, then perform such additional audit procedures as are appropriate in the circumstances to determine the effect on the current period’s financial statements. If concluded that such misstatements exist in the current period’s financial statements, then communicate the misstatements with the appropriate level of management and those charged with governance. 11. Obtain sufficient appropriate audit evidence about whether the accounting policies reflected in the opening balances have been consistently applied in the current period’s financial statements, and whether changes in the accounting policies have been appropriately accounted for and adequately presented and disclosed. |  | |  | |
| 1. Obtain bank statements for the year ended and subsequent period as well and examine for any unusual transactions. |  | |  | |
| 1. Obtain and examine bank reconciliations to ensure the following: 2. No long outstanding item should remain un-followed. 3. No revenue nature item should be appearing. 4. Check subsequent clearance of all deposits made (preferably cleared within two days). 5. No long outstanding cheques of significant amount are un-presented; if so then check their payment voucher and ensure that no discrepancy is involved. |  | |  | |
| 1. Ensure that all bank accounts are in client's name. |  | |  | |
| 1. Where any balances subject to any encumbrance, check the disclosure thereof. |  | |  | |
| 1. Convert FCY accounts into PKR at year end rate by identifying applicable exchange rates and agreeing them to an independent source. |  | |  | |
| 1. Ensure that closing balances as per our working papers are in match with the general ledger. |  | |  | |
| 1. Determine that disclosures have been made in accordance with the requirements of Fourth/Fifth Schedule to the Companies Act, 2017 and the applicable IAS/IFRS. |  | |  | |
| **Substantive Analytical Procedures** | | | | |
| 1. Document logical commercial reasons for new bank accounts opened and closed during the year. |  | |  | |
| 1. Compare current year balances with last year balances and ensure that any significant variation should be properly and logically reasoned. |  | |  | |