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| --- | --- | --- |
| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **EGA title:** | \*Audit Program – Equity | |
| **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 equity. 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. All the equity accounts and movements (including transfers to reserves and dividends) are completely and accurately recorded. | CA |  |  |  |
| 1. All the equity accounts are appropriately authorized and issued. | ER |  |  |  |
| 1. All equity accounts are recorded at appropriate values. | V |  |  |  |
| 1. Ensure compliance with laws and regulations. | Laws and Regulations |  |  |  |
| 1. All equity accounts 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 has been maintained and entries are made in the same on prompt and consistent basis and the same is reconciled with general ledger. |  | |  | |
| 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. Obtain all equity accounts’ (showing number of shares authorized, issued, and outstanding at the beginning and end of the year and all transactions affecting equity e.g. dividends, retained earnings) trial balance/ movement schedule. Test the summarization and the reconciliation of the total to the general ledger. Trace significant reconciling items, if any, to supporting documents. |  | |  | |
| 1. Trace opening balances from all equity accounts’ subsidiary records, 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. Check the number of shares and amount of issued, subscribed and paid up capital from MoA and Form ‘A’. |  | |  | |
| 1. Agree total of balances on the share registers with the issued capital at the balance sheet date. |  | |  | |
| 1. Obtain listing of shareholders/pattern of shareholding from CDC and compare it with the details available with client to work out the actual pattern of shareholding. |  | |  | |
| 1. Agree changes in authorized or issued shares to minutes and documents filed with the SECP. |  | |  | |
| 1. Trace changes in authorized or issues shares to appropriate authorizations and approvals e.g. board resolution, member’s registers etc. |  | |  | |
| 1. Agree number of shares and proceeds from issuance of new shares to cash receipts and supporting records. Compute the entries to par value of outstanding shares and paid in capital. |  | |  | |
| 1. Agree number of shares and value of redemptions to cash disbursements and supporting records. |  | |  | |
| 1. For shares issued as bonus shares check board resolution and check member’s register to ensure that changes have been made in number of shares of each member. |  | |  | |
| 1. Ensure that all receipts are through banking channels, particularly those from foreign nationals and trace in bank statement. Match with “Proceeds Realization Certificate”, if applicable. |  | |  | |
| 1. Ensure compliance with all relevant laws and regulations. |  | |  | |
| 1. Test entries to paid-up capital other than from the issuance of securities. |  | |  | |
| 1. Test entries to retained earnings other than from net income, dividends, and treasury shares. |  | |  | |
| 1. Examine documents supporting treasury shares transactions during the period. Confirm outstanding treasury shares. |  | |  | |
| 1. Note changes in Directorships with Register of Directors and Managers and inspect Form 29 filed with the Registrar of Companies. |  | |  | |
| 1. Examine schedule of shares owned off record and beneficially by major officers. |  | |  | |
| 1. Consider the results of procedures performed on dividend payable and determine that dividend and liability has been correctly recorded. |  | |  | |
| 1. Obtain a schedule of options granted, cancelled, and exercised during the audit period, and options outstanding, exercisable and available for future grant at the balance-sheet date. Test the summarization of the schedule. |  | |  | |
| 1. Review descriptions of the shares option plans and determine that all activity during the year is in compliance. |  | |  | |
| 1. Agree options granted to board minutes and to schedule of changes in outstanding shares. |  | |  | |
| 1. Determine that outstanding options are valid. |  | |  | |
| 1. Agree option price of qualified shares options granted to market source. |  | |  | |
| 1. Determine that compensation expense has been recorded on nonqualified shares options when appropriate. |  | |  | |
| 1. Agree options cancelled or expired to supporting documentation (e.g., employee termination notice). |  | |  | |
| 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. Compare current year balances with last year balances and ensure that any significant variation should be properly and logically reasoned. |  | |  | |