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| --- | --- | --- |
| **Client:** | **${client}** | |
| **Period end date:** | **${start} - ${end}** | |
| **EGA title:** | \*Audit Program – Financial Charges | |
| **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 financial charges. 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. Financial charges are completely and accurately recorded. | CA |  |  |  |
| 1. All recorded financial charges actually occurred during the year. | O |  |  |  |
| 1. Financial charges are recorded in the correct period and there are no cut-off issues. | T |  |  |  |
| 1. Financial charges have been appropriately classified in proper head. | L |  |  |  |
| 1. All financial charges are presented and all disclosures have been given in accordance with the Fourth/Fifth Schedules of the Companies Act, 2017 and relevant IAS/IFRS. | Presentation and Disclosure |  |  |  |
| **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. Moreover that the client itself recalculates the financial charges levied by the bank and that such calculation is reviewed by an authorized personnel. |  | |  | |
| 1. Check that before obtaining financing rates of financing are obtained from different banks and financing is obtained on most economical and other terms. |  | |  | |
| 1. Carry out client’s search at registrar’s office to ensure that all financings and their related finance charges are appearing in the books of accounts for which charge has been registered. |  | |  | |
| 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 schedule of all financial charges for the year. Check casting and computation of the same. |  | |  | |
| 1. Inquire about or review the information in prior year working papers to obtain an understanding of financial charges that may incur over the period. |  | |  | |
| 1. Determine that all loans, borrowings, leases etc. have been considered to ensure that there are no unrecorded or under recorded financial charges. Review the results of procedures performed in other accounts for the financial charges. |  | |  | |
| 1. Obtain computation of and ensure that charge on WPPF/WWF are calculated as per the rules. Check that the payment of prior year have been made within the stipulated time. |  | |  | |
| 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 expenses with last year expenses and ensure that any significant variation should be properly and logically reasoned. |  | |  | |