

Audit Programme and Checklists For Completion Of Audit

AUDIT PROGRAMME

An auditor prepares a plan after the selection of senior and junior staffs allocating the jobs to them, mentioning when to start, how to do the work etc. This plan is known as audit program. An auditor should include all the procedures in written form, objectives of each sector and all the directions which are to be given to the staffs which helps to control their works and helps to implement such programs into action.

Things Which Are To Be Included In Audit Programs

Audit program is a detailed program which helps to guide and control the junior staffs. Audit program classifies the work of junior staffs which helps to complete the audit task without leaving any points. Audit program is prepared all the programs, nature and size of business, internal check and internal control.

Following are the facts regarding audit program:

- Audit program is a detailed work plan which includes the time of doing work and how to do the works.
- Audit program includes audit procedures
- Audit program estimates the duration to complete the audit task
- Senior staffs prepare audit program to junior staffs on the basis of nature of business
- Generally accepted points are included in the audit program
- Junior staffs put tick marks in the completed tasks
- Detail information of works of all the junior staffs like audit of bank/ cash book, purchase book, sales book etc.
- Auditor should prepare audit program considering the nature of client.
- Separate list of work assigned to assistant should be prepared by the auditor.
- Audit program should fix the time period to complete job assigned to the assistants.
- Assistant should sign after the completion of his/her job.

After the introduction of compulsory process of Peer Review into mechanism for categorized Practicing Unit it is one of the essential parts for clear Peer Review Report.

As the Audit period is in peak now to facilitate audit procedures the following article on Audit Programme and various checklists with reference to relevant matters will stand handy and useful to one and all.

In my earlier share on Checklist on Working Papers with reference to Standards on Auditing i.e. general checklist of audit analysis/documentations/evidence also facilitate easy understanding on documentation.

Reference link:

SUMMARY POINTS OF AUDIT PROGRAMME:

1. Appointment letter and the relevant resolution for the appointment.
2. Terms of the engagement including reports required and manner of determining audit fees.
3. System of book-keeping and the list of the books of accounts maintained by the entity.
4. Particulars of the promoters, Directors and their powers.
5. Names of persons who write the books of accounts and other authorised officers
6. Memorandum and Articles of Association, Partnership Deed as applicable.
7. Details of business of client and its accounting systems by reviewing and assessing information on:
 - nature of business of the entity
 - Internal control system including owner/manager controls.
8. Statement of Profit and Loss account, Balance sheet, Auditors' and Directors' reports of the previous year and the reports of internal auditor
9. Analytical review procedures in order to :
 - identify areas of accounts which are important because of their size
 - highlight unusual or unexpected figures or relationships in the accounts
 - design audit test which concentrates on important and unusual items
 - obtain sufficient audit assurance to allow the reduction or even elimination of detailed testing in some areas
10. Assessment of audit risk by using the professional judgement and audit procedures to ensure that it is reduced to an acceptable low level
11. Preliminary estimates of materiality for the audit as a whole.
12. Class of accounting transactions which are relevant and to decide the type of testing and samples.
13. Selection of representative samples.
14. Compliance tests to evaluate the reliability of key controls.
15. Material weaknesses in the operation of key controls of management.
16. Performance of analytical review procedures, substantive tests of detail to obtain sufficient, relevant and reliable audit evidence for each audit objective.
17. Fundamental accounting assumptions, i.e., consistency, going concern and accrual basis of accounting are followed by the client in the preparation and presentation of financial statements.
18. Disclosure of change in an accounting policy which has a material effect.
19. Audit report is received from all the Branch Auditors and any reservation made by the branch auditor is appropriately dealt with in the finalisation of accounts.
20. Working papers contain all audit evidence, and are cross-referenced.
21. Summary of work done, problems, important judgements and audit conclusions.
22. Review by Senior in charge of work of all assistants, audit programme followed and work performed as per time schedule.
23. Updation of audit working papers including permanent records.
24. Review of unadjusted errors to determine whether individual and aggregate effect is material.
25. Compliance with legal and regulatory requirements. Compliance with all mandatory Accounting Standards issued by the Institute.
26. Post balance sheet events.
27. Formulation of draft audit opinion.
28. Comparison of budgeted time to actual and reasons for major variations.

- 29. Complete staff evaluation forms.
- 30. Planning of next year's audit.

Name of Company:

Period of Audit:

Audit Staff:

Review By:

Audit conducted on :

1.) Documentation to be kept on File.

- **Permanent Audit Papers:**

It shall contain papers related to engagement, constitution, background and organizational structure, Systems (For larger audits this section could be held on a separate file) Contracts, Agreements, Minutes, Group, Other professional advisor's list and other Miscellaneous.

Particulars	Verified By	Reviewed By	Remark/ Wkg Note No
Financial Statements (P.Y)			
Auditor's Report (P.Y)			
Memorandum and Article of Association. (For Changes, If applicable)			
Partnership Deed			
Act, Regulation, bye-laws, trust deeds, as applicable under which the entity functions			
Nature of Business and History			
Ownership Profile			
Organization Chart, if applicable.			
Financial Delegation Power, if applicable.			
Internal Control System, if applicable			
Audit Acceptance Letter			
Correspondence with Previous Auditor, as required			

<p>Background and organisation structure</p> <ul style="list-style-type: none"> ● Registered office details ● Management structure including organisation chart ● Industry specification with reference to client's size, economic factors affecting the industry, seasonal fluctuations and demands ● Facility locations, plant capacity, owned or leased, age, capital expenditure budget, etc. Products specifying diverse range alongwith classification ● Purchase volumes, main suppliers, policies ● Inventory norms, inventory levels during last five years and related ratios. ● Sales volumes including exports, main customers, methods of distribution, pricing policies, credit policy ● Personnel showing numbers, analyses by departments or function, method of remuneration, contracts, union agreements, HR policy ● Copy of audited financial statement for previous five years, if it exist. ● Study and evaluation of internal controls related to ● Significant audit observations of past ● Statistical information showing 5 years comparison of performance indicators (major accounting ratios) Industry statistics 			
<p>Systems:</p> <ul style="list-style-type: none"> ● Details of methods of accounting including cost ● accounting, flowcharts, specimens of accounting documents, code structure and list of accounting records ● EDP-systems security, source code security, authorization and back up policy 			
<p>Contracts/Arrangements:</p> <ul style="list-style-type: none"> ● Leases agreements photocopies/ extracts of the same ● Title deeds inspected annually by auditor ● Royalty agreements ● Minutes of continuing importance such as Directors' meeting, Members' meeting 			

Group structure – <ul style="list-style-type: none"> ● subsidiaries, associates Joint venture <ul style="list-style-type: none"> ● Names of auditors 			
Professional Advisor's List <ul style="list-style-type: none"> ● Bankers ● Solicitors ● Investment Analysts ● Registrars ● Credit Rating Agency 			
Details of other client information of permanent nature			

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- **Regular Working Papers to be taken from Management and Audit File shall contain:**

Particulars	Verified By	Reviewed By	Remark/ Wkg Note N ^o
Letter of Appointment			
Representation from Management			
Stock as on the date of Balance sheet			
Fixed Asset as on the date of Balance sheet			
Declaration from Directors for No Disqualification			
Notice of Interested Director Under Section 299 of Company Act, if any.			
Confirmation from Debtors.			
Confirmation from Creditors.			
Certificate u/s 40A(3)			
Certificate u/s 269SS & 269T			
Balance Confirmation from Banks with Reconciliation.			
Discussion on Notes to Accounts with Management.			

Final - Draft and Signed Financial Statement			
<p>Reports and final papers</p> <ul style="list-style-type: none"> ● Copies of all draft and final reports issued to client ● Correspondence with other auditors and experts ● Comments received from client and letter of representation ● Observations on accounts and points carried forward to next year ● Final journal entries ● Company accounts checklist - directors' report ● Audit completion report 			
<p>Audit Plan</p> <ul style="list-style-type: none"> ● Planning programme ● Time and cost summary ● Briefing notes ● Copy of planning letter to client ● Points carried forward from previous year 			
<p>Balance sheet, statement of profit and loss account and cash flow statement audit – systems testing</p> <ul style="list-style-type: none"> ● Lead schedules/ Notes ● Audit programmes ● Detailed working papers and conclusions ● Company accounts and accounting standard , if any, checklists ● Queries raised and explanations received ● Third party confirmations and certificates ● Weaknesses identified and copy of letter of weaknesses sent to client ● Schedules/ Notes ● Trial balance ● Cross-reference to audit work performed ● Performance indicators collected which have a bearing on the extent, nature, timing of substantive tests 			

2. VERIFICATION OF RECORD FOR TAX AUDIT U/S 44AB

Sr.no.	Particulars	Verified By
1	Cash Book	
2	Bank Book	
3	Journal	
4	Ledger	
5	Purchase Register	
6	Sales Register	
7	Stock Register	

8	Opening Balance Sheet Checked with Ledger	
9	Closing Balance Sheet Checked with Ledger	
10	Bank Reconciliation kept on record	
11	Closing Stock is certified Kept on record.	
12	Check list of Tax Audit	
13	Tax Audit Annexure verified with Records.	<u>ANNEXURE NO.S: as below</u>

A	B	C	D	E	F	G	H	I	J	K	L	M
N	O	P	Q	R	S	T	U	V	W	X	A-I	A-II

Tax Audit Report Signed by {RBS} {URS} {DATE} / /20

Backup of Tally or any other Accounting Software –

Tally Version: 7.2 / 9 / ERP

Tally File Nº _____ Password if any _____

Books of Accounts Checked By: _____

Verified By: _____

3. Audit Programme

The Section deals with points that must be considered enquired and recorded in designing an audit plan.

Client’s Name:

Accounting Year:

1	Registered Office	
2	Corporate Office	
3	Factories	
4	Branches	
5	Sales Depot	
6	Name & Residential address of Directors, Managing Directors, Accountants Managers, and Financial Controllers, if any.	
7	List of books and other records maintained	

8	Associate concerns: Name of Dealings		
	Subsidiaries		
	Companies under same Management-Section 370		
	Name of the audit person-in-charge		
	Name of Assistants/Articled Clerks		
9	Review of permanent file and previous year's file		
10	Special matters to be considered [based on points raised in the previous year]		
11	Computerization		
	A	Before starting the audit, ascertain whether the accounts are computerized. If so whether computerization is for the whole of the accounts / stores/ sales / purchases etc. where they are partially computerized, indicate which departments are computerized.	

	B	In respect of departments that are computerized.	
		i	Study the system of computerization
		ii	Ask for the code list and study the system of coding

Prepared By:Reviewed By:

4. BASIC AUDIT PROGRAMME

Client's Name:

Accounting Year:

This Programme is a specimen programme, in the course of audit the programme will have to be drawn up considering the size and nature of business of each client and based on weakness of internal control.

Sr.Nº	Particulars	Checked by	Time Taken	% Checking	Extent of Test Check eg- monthly/qtrly/H alf yrly/every 10th voucher, etc.
1	Opening Balance				
2	Cash Book vouching				
3	Bank Book Vouching				
4	Sales register/Sales Journal vouching				
5	Purchase register/purchase Journal vouching				
6	Credit note and Debit note register vouching.				
	Any other special register based on the nature of business and practices followed by the company				
7	Journal vouching				
8	Salary and Wages				
9	Stock Records/Levels/Physical Verification				

10	Checking for outstanding expenses and prepaid expenses				
11	Verification of Fixed Assets and checking of Depreciation statement				
12	Provision for Taxation/Compare with completed assessment order/s				
13	Valuation of Inventories Shortages Basis				
14	Checking of notes and quantification				
15	Minutes Books of a. Board Meetings b. General Meetings c. Committee Meetings, if any				
16	Statutory Registers Compliance				
17	Inspection of files related to law suits, legal matters, taxation, excise, octroi, frauds, etc.				
18	Loans & Guarantees				
19	Transaction with related parties				

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Prepared By:Reviewed by:

5. GENERAL CHECKLIST FOR AUDIT

		Particulars	Y/N/NA	Remarks
1		Opening Balance		
1.1		Have you checked opening Balances of:		
	a	General Ledger		
	b	Debtors Ledger		
	c	Creditors Ledger		
	d	Creditors Ledger		
	e	Other subsidiary Ledger		
2		Vouching		
2.1		Voucher includes the following		
	a	Receipt and Payment of cash Book and Bank Book including Petty cash Book		
	b	Sales		
	c	Purchases		
	d	Credit Note		

	e	Debit Note		
	f	Register of hundi paper		
	h	Any other book/register of prime entries, salary and wages register, special register like trip register, ticket booking register, job register based on the nature of business		
2.3		Have you checked Correctness of		
	a	Account head/account code		
	b	Date		
	c	Amount		
	d	Name of Party		
	e	Quantities and rates where applicable		
2.4		Any the vouchers properly authorized and supported by necessary External evidence and/or internal documentation?		
2.5		Does the transaction relate to the accounting year under audit?		
2.6		Have you checked totals/sub-totals?		

2.7		Have you made list of items remaining un-ticked after your vouching is complete?		
3.		Cash/ Bank Book – Receipts and Payments		
3.1		Have you checked whether cash collected is banked at reasonable intervals?		
3.2		Have you checked balances at the end of different days if cashbook is monthly balanced and ensured that cashbook does not have any negative balance?		
3.3	A	Is there any incident of heavy cash balance, substantial cash withdrawals Check reasons thereof		
	B	Verify with the rough/cashier cash book		
3.4		Have you checked journal entries for tracing summaries wherever required?		
3.5		Have you checked journal entries for tracing summaries wherever required?		
3.6		Have you checked bank reconciliation statement - Outdated cheques to be reversed?		
3.7		Have you checked reconciliation entries with clearance in next month's Bank		

		Statement?		
3.8		Have you listed entries, which are appearing in bank statement but not appearing in bankbook?		
3.9		Have you checked credit/debit for bank interest?		
3.10		Have you checked contra entries for cash withdrawals and deposits and ensured that they appear on same date.		
4.		Sales register		
4.1		Have you checked quantities as per delivery challans with invoices?		
4.2		Have you checked entries in stock records?		
4.3		Have you checked rates with price list and ascertained reasons for variations?		
4.4		Have you made a list of un-ticked items?		
4.5		Have you tallied sales with sales tax returns?		
4.6		Have you reconciled sales tax collections with payments and transfer of the balance to appropriate accounts?		
		Any transaction with related party,		

4.7		whether it is at fair prices and genuine transaction?		
5.		Purchases Register		
5.1		Have you checked delivery challans quantity with invoices?		
5.2		Have you checked rates wherever orders have been issued? Verify quality Control approval memo?		
5.3	A	Have you checked quantity in to stock records?		
	B	Have you made a list of purchase invoices for which are no corresponding entries in stock records?		
	C	All stocks are recorded as either purchases or from opening stock, goods return have been adjusted?		
5.4		Have you verified that purchases are correctly classified as per the accounting code?		
5.5		Have you ensured that all goods received notes are correlated with purchase invoices?		
5.6		Any transaction with related party, whether it is at fair prices and genuine transaction?		

6		Journal Vouching		
6.1		Have you checked why debit balances have been written off or credit balance written back?		
6.2		Have you checked account head on journal vouchers?		
6.3		Are there any entries relating to earlier or subsequent period?		
6.4		Have you made a list of un-ticked items?		
6.5		Are all journal vouchers verified with necessary evidence/explanation/workings?		
6.6		Are all vouchers verified authorized?		
7		Salary and Wages.		
7.1		Have you checked salary summaries in the cash book/bank book/journal?		
7.3		Have you checked deletions/increments with, with personnel files, approvals/agreements?		
		Have you checked statutory deductions for? Provident Fund ESIC		

7.4	A	Income Tax Professional Tax Advances Any other items as applicable		
7.4	B	Have you correlated entries for payments of above deductions?		
7.5		Have you checked overtime payments with necessary register and company's rules?		
7.6		Have you checked payments of salary and wages with registers?		
7.7		Have you checked calculation of bonus with reference to provisions of payments of Bonus Act/Agreement?		
7.8		Have you checked incentive payment with its basis? Ad hoc incentives to be listed.		
7.9		Have you checked working of payments to contractors/casual workers? Have statutory deductions been made there from		
8		Stock Records		
8.1.1		Raw material, Packing material and Stores..		
		Have you checked opening stock from		

8.1.2		preceding year's inventories?		
8.1.3		Have you checked receipts of raw materials while checking purchase, [GRN]		
8.1.4		Have you treed closing stock with physical inventory sheets?		
8.1.5		Have you traced closing stock with physical inventory sheets?		
8.1.6		Have receipts/issues been correlated with debit notes/credit notes?		
8.1.7		Have you correlated consumption with production records?		
8.1.8		Have you checked materials given/received to/from others for processing, and reconciled with corresponding receipt/dispatches of processed goods and processing charges.		
8.1.9		Check the gatekeeper's outward register for items other than sales and reconcile with the final entries for billing or returns.		
8.1.10		Have slow-moving damaged, and obsolete items been identified.		
8.1.11		Have Materials given/taken on loan been property accounted and, has proper		

		record been maintained.		
8.2.1		Works in Process/Finished Goods.		
8.2.2		Have you checked opening stock from preceding year's inventory.		
8.2.3		Have you checked daily production with reports/Excise records?		
8.2.4		Reconciliation with excise records.		
		Have you correlated dispatches with delivery challans, and excise records?		
8.2.5		Have you reconciled opening stock, production, sales and closing stock?		
8.2.6		Has due care been taken to identify slow-moving and/ or obsolete items.		
9.		Capitalisation of Assets / Expenses		
9.1		Have you checked all addition to assets with account heads and approvals?		
9.2		Have you verified that all expenses pertaining to assets under construction/installation are properly and correctly debited to Capital WIP?		
9.3		Have you verified the transfer entries from CWIP to proper assets head on its completion/installation?		

10		Posting [in case manual accounting]		
10.1.1		Have you checked postings from cashbook, bankbook, sales register, purchase register, debit note/ credit note register, journal and all other principal books?		
10.1.2		Have you checked summarized posting of sales/ purchase register and debit note/credit register/petty cash book/expense register?		
10.1.3.		Have you listed out un-ticked items?		

Prepared By:**Reviewed by:**

Checklist: STATEMENT OF PROFIT AND LOSS

			Remarks Y/N/NA
1	PROFIT AND LOSS		
	A	SALES	
	1	Have goods delivered been invoiced?	
	2	Examine sales booked immediately before the year-end with dispatch notes/transport receipts/proof of service rendered?	
	3	Have you checked that such sales are not reversed of goods refund immediately at the beginning of the next year? If so have they been reduced from sales?	
	4	Have goods invoiced close to the year-end been actually delivered? Scrutinize dates of dispatch notes prepared immediately after year-end.	
	5	Has provision been made for materials still to be supplied where invoice has been raised for the entire supply?	
	6	Have sales returns been recorded – credit notes issued and included in inventory?	
	7	Have rebates and discounts been adjusted?	
	8	In case of long term contracts:	
		a	What is the basis of accounting profit/Loss?
		b	Have provisions for losses been made if anticipated. If so on what basis.
	9	Have you verified that Excise duty and sales tax have been shown as a deduction from Gross Turnover wherever the Turnover includes Excise/Sales Tax?	

	10	Have you seen that goods sent on consignment and internal dispatches to branches, depots or agencies are not included in sale?	
	11	Have you ensured that the value of the Turnover excluded ancillary and extra charges like packing, freight commission etc.?	
	12	Have you ensured that discounts given for prompt payment and rebates of a special, rather than a general nature are accounted for separately?	
	13	Have you ensured that trade discounts and ordinary rebates are adjusted against the value of the turnover?	
B	PURCHASES		
	14	Have you satisfied yourself that all materials included in stock been recorded as purchases?	
	15	Have goods refund been adjusted and excluded from stock?	
	16	Have all claims for defective materials been adjusted?	
C	DEPRECIATION / AMORTIZATION		
	17	Has method of charging depreciation been disclosed in accounts?	
	18	Has Depreciation followed as per Schedule II or IT Act, as applicable?	

	19	Is depreciation on additions and deletions pro rata? State the basis of verifying dates for additions/ deletions of fixed assets?	
	20	Have you verified the basis of amortization of intangible assets is in accordance with AS-26?	
	21	Have you verified that the leasehold land has been amortised over the period of the lease?	
	22	Have you obtained certificate for extra shift working?	
	23	Where any depreciable assets is disposed of, discarded, demolished or destroyed, the net surplus or deficiency, if material, has been disclosed separately?	
D	GENERAL		
24	Have accounts been prepared on accrual basis and as per AS-9?		
25	Have all outstanding and known liabilities been provide?		
26	Have following been provided for:		
	a	Gratuity - If not, note on accounts?	
	b	Bonus - if not, note on accounts?	
	c	Retirement Benefits- If not, note on accounts?	
	d	Leave Encashment - if not, note on accounts?	
27	What is the basis for providing gratuity? Append a note.		
28	Has the entity accounted for all the known incomes accruing during the year?		

29	Has income been accrued for materials processed but not delivered/undelivered?		
30	Has income received in advance been properly adjusted?		
31	Have you compared each item of accounts with previous years and inquired into major variations?		
32	Have you reviewed percentage of scrap, by-products and waste generated with production and compared with previous year?		
33	What is the basis of accounting for claims:		
	a	Made by the company	
	b	Made on the company	
34	Is a register for claims maintained? If not, how is control on claims exercised?		
35	Amortisation of		
	a	Preliminary expenses	
	b	Share issue expenses	
	c	Debenture issue expenses	
	d	Voluntary retirement scheme payments	
	e	Others	
36	Have you scrutinized all expenses accounts in particulars		
	a	Building repairs	
	b	Machinery repairs	

	c	Other repairs	
	d	Stores	
	Check any item of capital nature charged to revenue or vice versa?		

5.1 Checklist: FINAL REVIEW

	Particulars		Remarks Y/N/NA
1	Have you ensured that the all checklists on audit and financial statement review have been completed and initialed by the person entrusted with the work?		
2	Have the following fundamental accounting concepts been followed.		
	a	Going-Concern [continuity of business of the company in succeeding years]	
	B	Accrual [Income and expenses accruing during the year under review]	
	C	Consistency [same basis of accounting to be followed consistently]	
	D	Prudence [future losses to be ascertained and accounted for whereas future gains to be deferred] been adhered to?	
3	If not, please give particulars of departures there from		
4	Compliance with Mandatory Accounting Standards and Assurance Standards: Have you filled up the Control Sheet for the Accounting Standard and placed on file?		
5	Whether all the requirements of the above standard have been adhered to by the entity? If no, draft reports have to be suitably qualified?		

6	Have other checklists on Statutory Registers Companies Act, Compliance checklists are completed?	
7	Have all the documents as per the documentation checklist been placed on the working papers file?	
8	Have you verified that the Peer Review checklist has been completed and placed on the file?	
9	Have the institute's Statements and Guidance notes as applicable been considered and fully complied with?	
10	Have you perused and noted important points arising from reports obtained by the company internally and external agencies such internal auditors, concurrent audits etc.	
11	Has the partner critically examined ratios as per the checklists?	

CHECKED BY:REVIEWED BY:

6. Audit Finalisation

Particulars	Verified By	Reviewed By	Remark/ Wkg Note N ^o
Verification of Trial Balance			
Verification of TB and its Grouping and Compilation			
Verification of Balance Sheet Schedule with its Grouping /Compilation			
Preparation of Notes To Accounts			
Preparation of Company Audit Report			
Preparation of Tax Audit Report			

7. Compliance of Various Laws

Particulars	Verified By	Reviewed By	Remark/ Wkg Note N ^o
Excise Record			
Cost Audit Report			
Previous Yr Tax Audit Report			
Internal Auditors Report its Compliance by the Management.			
Service Tax Act			
Central Excise Act			
MVAT Act 2002			
Central Sales Tax			
Income Tax Act			
Provident Fund Act			
Professional Tax Act			
Company Laws			
SEBI's Requirement			

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8. Compliance of Institutes Pronouncements

Particulars	Verified By	Reviewed By	Remark/ Wkg Note Nº
Accounting Standards			
Auditing and Assurance Standards			
Guidance Notes			
Clarifications			
Company Laws Compliance			
CARO 2015			
Schedule III Compliance			
Schedule II Compliances			

9. ACCOUNTING STANDARDS CHECKLIST CONTROL SHEET

OBJECTIVE: The objective of this checklist is to determine whether the accounts of the client have been prepared in accordance with the Accounting Standards. **Any non-compliance with the standard[s] should be highlighted.**

Sr.Nº	Particulars	Compliance Y/N/NA	Remarks
1	Disclosure of Accounting Policies		
2	Valuation of Inventory		
3	Cash Flow Statement		
4	Contingencies & Events occurring after the Balance Sheet date [Revised]		
5	Net Profit or Loss for the period, extraordinary items & changes in accounting Policies		
6	Depreciation Accounting		
7	Accounting for construction contracts		
8	Accounting for Research & Development Standard requires disclosure of R & D expenditure]		
9	Revenue Recognition		
10	Accounting for Fixed Assets		
11	Accounting for the effects of changes in foreign exchange rates		

12	Accounting for Government grants		
13	Accounting for investments		
14	Accounting for amalgamation		
15	Accounting for retirement benefits in the financial statements of employers		
16	Borrowing Costs		
17	Segmental Reporting		
18	Related Party Transactions		
19	Accounting for Leases		
20	Earning per share		
21	Consolidated Financial Statement		
22	Accounting for taxes on income		
23	Accounting for investments in associates in consolidated financial statement		
24	Discontinuing operations from 1-4-2004/05		
25	Interim Financial Reporting		

26	Intangible Assets		
27	Financial Reporting of interests in Joint Ventures		
28	Impairment of assets		
29	Provisions, Contingent liabilities and Contingent assets		

Prepared By:Reviewed by:

9.1. CHECKLIST: AS 1 – DISCLOSURE OF ACCOUNTING POLICIES

		Particulars	Y/N	Remarks
1		Is there a list of all significant policies adopted by the auditee?		
2		If yes, are all the relevant areas listed below are adequately covered, so far applicable?		
	a	Basis for preparation of financial statements		
	b	Method of accounting		
	c	Valuation of fixed assets		
	d	Treatment of goodwill		
	e	Treatment of Impairment of Assets		
	f	Method of depreciation, depletion and amortisation		
	g	Treatment of expenditure during construction		
	h	Valuation of Investments		
	i	Valuation of Inventories		
	j	Research and Development		
	k	Deferred Revenue Expenditure		

	l	Receivables and Liabilities		
	m	Revenue Recognition		
	n	Conversion of translation of foreign currency item		
	o	Disclosure o events subsequent to the balance sheet date		
	p	Treatment of Borrowings cost		
	q	Treatment of Lease Accounting		
	r	Provision for Taxes on Income, both current and deferred		
	s	Treatment of Prior Period items		
	t	Treatment of Miscellaneous Expenses not written off		
	U	Excise and Customs Duty: Definition of turnover		
	V	Treatment of retirement benefits		
	W	Recognition of Profit on Long-item contracts		
	X	Treatment of contingent liabilities		

3.		If there is a change in accounting Policies whether it has been disclose separately with quantification of its impact on the financial statements?		

Prepared By:Reviewed by:

Sr No	Particulars	Yes/No/NA	Remarks
1.	Share Capital - Changes in Equity		
	Bonus and/or right issues made as per required new procedure		
2.	Loan from other than body corporate and directors		
	Verify for Deposits Rules Followed		
	Exemption Applicable		
3.	Internal Financial Control - Policy by management		
4.	Directors and KMP		
	Appointment		
	Disqualification		
	Remuneration Rules and Limits - Schedule V applicability		
	Independent Director		

	Woman Director		
	Declaration from Directors/KMP – Loans and or other companies appointment and interest, as applicable		
	Committees		
5.	Loans, guarantees and investments u/s 186		
	Within limit		
	Exceeds – Resolution as required		
6.	Related Party		
	Nature of Relationship		
	Contracts in compliance provisions and rules		
	Relevant AS followed (AS-18)		
7.	CARO		
	Applicability		
	Deviation of clause to be reported, if any		

8.	Consolidation		
	Whether applicable or not – SMC/ Non SMC and/ or other than Small Company		
	Layers of Subsidiaries – Operating and others		
	Relevant Accounting Standards followed(AS-21,23,27)		
	Separate section containing a report on performance and financial position of each of subsidiaries, associates & JVs included in the Consolidated FS of the Co.		
9.	Cash Flow Statement		
	Whether applicable or not – SMC/ Non SMC and/ or other than Small Company		
10.	Risk Management		
	Development of Policy for the same		
	Implementation of the same		

11.	Women Safety		
	Sexual Harassment of Women at Workplace (Prevention, prohibition & redressal) Act, 2013		
12.	Corporate Social Responsibility		
	CSR policy		
	Committee		
	Implementation as per rules		
13.	Vigil Mechanism		
14.	Extract of Annual Return – MGT 9(Please refer to Directors report format)		
15.	Depreciation		
	Schedule II followed		
	Useful Life deviation – Advice supported		
	Change in Method if any incorporated in financial Statement		

16.	Corporate Governance and SEBI requirements		
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Note: Need to check on the various forms required to be filed with ROC in respective event and regular compliances required.

CHECKLIST: SA 230 DOCUMENTS

	Audit Procedure		Y/N	Remarks
1	Whether audit working papers give an overall understanding of the:			
	a	Audit Procedures performed and		
	b	The extent of checking done?		
2.	Do the audit working papers include			
	a	Audit Plan prepared		
	b	Nature, timing and extent of audit procedures followed:		
	c	Evidence obtained and conclusions drawn there from?		
3	Has the auditor prepared/up dated the permanent audit file for recurring audits?			
4	Whether Current Audit File [working Papers File] including the following:			
	a	Correspondence relating to acceptance of annual appointment		

	b	Copy of Draft Financial Statements and signed Financial Statements.		
	c	Copies of all draft and final reports issued to client.		
	d	Comments received from client.		
	e	Observation on accounts and points carried forward to next year.		
	f	Important final Journal entries		
	g	Audit Completion report		
	h	Important matters in minutes of Board Meetings, Audit Committee and General Meetings.		
	I	Audit Planning		
	J	Time and Cost Summary		
	K	Briefing to Staff notes		
	L	Copy of Planning letter to Client		
	m	Points from previous year		
	n	Balance sheet, Profit and Loss account and Cash Flow statement.		
	o	Audit systems testing working papers such as		

		i	Lead Schedules		
		ii	Audit Programmes		
		iii	Conclusions		
		iv	Checklists		
		v	Queries raised & explanations received		
		vi	Third Party Confirmations and certificates		
		vii	Weaknesses identified and copy of letter of weaknesses to client.		
		viii	Trial Balance		
		ix	Gross referencing between the backup schedules, lead schedules, and the accounts		
	P	Analysis of transactions and balances [Notes on important points and decisions taken during scrutiny of accounts]			
	Q	Evidence that, work performed by assistants has been reviewed.			
	r	Copies of communication with the other auditors experts and third parties,			
	s	Letter of representations, Confirmation			
		Significant matters on which the auditor has made			

	t	Judgments and drawn conclusions		
5	Does the Permanent Audit File include?			
	a	Legal Organisational and management structure of the firm		
	b	Memorandum/Articles of Association		
	c	Acts and regulations [in case of Statutory Corporations]		
	d	Nature and History of the Business		
	e	Profile of Ownership		
	f	Registered Office Details		
	g	Industry specifications with reference to size and economic factors affecting the industry.		
	h	Purchases volumes, policies and major suppliers		
	I	Sales Volumes, policies and major buyers		
	J	Inventory norms, levels and related ratios		
	K	Personnel details – numbers, method of remuneration, union agreements, contracts, HR policy.		

	I	Study and evaluation of internal controls related to accounting systems.		
	m	Significant audit observations of the past		
	N	Details of method of accounting including cost accounting flow charts specimens of accounting documents code structure and list of accounting records.		
	O	EDP- system security, source code security, authorization and backup policy.		
	P	Lease agreements photocopies/extracts of the same.		
	Q	Title deeds inspected annually by auditor		
	R	Royalty Agreement		
	S	Minutes of continuing importance of Director's meeting, members' meeting.		
	T	Group structure subsidiaries, associates, JVs, auditors names		
	U	Names of bankers, solicitors, investment Analysts, Registers credit rating.		
	V	Important legal documents, agreements and minutes		
	W	Audited financial statements of last 5 years		
	X	Analysis of significant ratios, performance indicators and industry statistics		

	Y	Management letters issued by us		
	Z	Record of communication with retiring auditor		
6	Any other information of a permanent nature.			

Prepared By:Reviewed by: