AUDIT QUESTIONAIRE

Name of the client

Address

Financial year

About the Client

a) Is the client new/old?	New/Old
b) Are there any other related parties to whom any service given?	Yes/No/N.A
c) Type of client Pvt. Ltd., Ltd,	Firm individual.
d) Is there change in status?	Yes/No/N.A
e) Amount of share capital is > Rs. 50 lacs.	Yes/No/N.A
f) Does the sale exceed Rs. 50 crores?	Yes/No/N.A
g) Is there change in nature of business?	Yes/No/N.A
h) Is there change in management during the year?	Yes/No/N.A
i) Are formalities relating to change is management complied?	Yes/No/N.A
j) Is there change is address?	Yes/No/N.A
k) Is there change in Internal Auditor?	Yes/No/N.A
l) Is there change in Bankers?	Yes/No/N.A
m) Is there increase in limit from Banks?	Yes/No/N.A
n) Is there increase in Issue/Paid up capital?	Yes/No/N.A
o) Is there increase in authorized capital?	Yes/No/N.A
p) Have the client branch offices? No. of branches.	Yes/No/N.A
q) Are branches registered on separate units with sales tax authorities?	Yes/No/N.A
r) How reliable is the client?	

s) Is there any negative matter came to notice if yes, indicate nature & reason.	Yes/No/N.A
t) Is the unit sick industrial unit/under BIFR/loss making?	Yes/No/N.A
u) Has the loss exceeded 50% of the share capital and free reserves, if yes indicate the extend to which capital eroded.	Yes/No/N.A

<u>Accounting Standards/Policies</u>

a) Are all Accounting standards applicable?	Yes/No/N.A
b) Is there change in accounting policies?	Yes/No/N.A
c) If (b) is yes, mention briefly	
d) Is the Sales/Turnover exceeding Rs. 40 lacs ?	Yes/No/N.A
e) If (d) is yes, is Tax Audit being done by us?	Yes/No/N.A
f) Is the turnover exceeding Rs. 50 crores during the year?	Yes/No/N.A
g) Are proper provision made in books of accounts reasonable compared to the size of the audit unit?	Yes/No/N.A
h) Is there any contingent liability, which has come to notice and not reported in notes to accounts?	Yes/No/N.A
i) In case of contingent liabilities do the financial statements indicate liability on account of the following :-	
(i) Income tax	Yes/No/N.A
(ii) Wealth tax	Yes/No/N.A
(iii) VAT/Sale tax	Yes/No/N.A

(iv) Excise	Yes/No/N.A
(v) Customs	Yes/No/N.A
(vi) Service Tax	Yes/No/N.A
(vii) Entertainment tax	Yes/No/N.A
(viii) House tax	Yes/No/N.A
(ix) Any other statutory dues	Yes/No/N.A

j) Does notes to accounts state policies on -

(i) Cash basis	Yes/No/N.A
(ii) Contingent liabilities	Yes/No/N.A
(iii) Dividend payment	Yes/No/N.A
(iv) Provision for gratuity	Yes/No/N.A
(v) Provision for deferred taxes.	Yes/No/N.A
(vi) Provision for events after Balance sheet date.	Yes/No/N.A
(vii) Indicate any major events, if mentioned.	Yes/No/N.A
(viii) Is there any material change in policies?	Yes/No/N.A
(ix) Provision for Taxation.	Yes/No/N.A
(x) Auditor’s Remuneration.	Yes/No/N.A
(xi) Director’s remuneration.	Yes/No/N.A
(xii) Related party transactions.	Yes/No/N.A
(xiii) Related party balances.	Yes/No/N.A
(xiv) Confirmation of Accounts.	Yes/No/N.A
(xv) Defaults U/S 274 (i) (g) of the companies Act.	Yes/No/N.A
(xvi) Are Current Assets of realizable value as reflected in Balance sheet?	Yes/No/N.A

(xvii) Are all know liabilities incorporated in books for the year Yes/No/N.A

(xviii) Is the concern/unit a going concern whether there is diversion of business activities, Mention new & old activities? Yes/No/N.A

(xix) Mention defaults in complying with accounting standards which have come to notice/non-compliance. Yes/No/N.A

(xx) Indicate the extent of accounting standards not complied Yes/No/N.A

(xxi) Any other comment required to be disclosed in the financial statements. Yes/No/N.A

Fixed Assets

a) Is the Fixed assets register maintained? Yes/No/N.A

b) All invoices/bills/addition recorded. Yes/No/N.A

c) Is depreciation charged on each and every Fixed asset during the year? Yes/No/N.A

d) Are Fixed assets verified by the management? Yes/No/N.A

e) Is there any discrepancy noticed on physical verification? if yes. Yes/No/N.A

f) The amount of deficiencies in fixed assets.

g) Are fixed assets revalued during the year? Yes/No/N.A

h) Is there any re-valuation report on record? Yes/No/N.A

I) Are entries of revaluation incorporated in books? Yes/No/N.A

j) Are any major fixed assets sold during the year? Yes/No/N.A

k) The reason for sale.

l) Are there any fixed assets not put to use? Yes/No/N.A

m) Are fixed assets transferred to sister company/firms under same management? Yes/No/N.A

n) Are any fixed assets acquired from company/firm under the same management? Yes/No/N.A

o) Is there any theft of fixed assets? Yes/No/N.A

p) Has insurance claim of thief being reported and incorporated in accounts? Yes/No/N.A

q) Is there any shortfall in fixed assets due to search & seizure operation? Yes/No/N.A

r) Are any fixed assets seized by government authorities ,if yes give details ? Yes/No/N.A

<u>Inventory</u>

a) Whether the party maintaining stocks register? Yes/No/N.A

b) Is the stock maintained in the premises or outside?

c) Indicate the places where stocks maintained.

d) Are stocks insured? Yes/No/N.A

e) Are there stocks of third party? Yes/No/N.A

f) Are there stock kept at premises of third party? Yes/No/N.A

g) Has the inventory being verified by the management? Yes/No/N.A

h) Is there any discrepancy noticed on verification
by management? Yes/No/N.A

i) Is there any lost of stock due to theft? Yes/No/N.A

j) Has insurance claims being received,
incorporated in books? Yes/No/N.A

k) The nature of accounting of insurance claims in
accounts /books is done. Yes/No/N.A

l) Is there any regular procedure of verification of
stocks? Yes/No/N.A

m) Is there reliance placed on verification on the
basis of undertaking from client? Yes/No/N.A

n) Is the stock valued at cost/market price/cost or
market price which ever is less? Yes/No/N.A

o) Is the procedure of verification to the satisfaction
compared to the size of the unit? Yes/No/N.A

p) Is there any old inventory? Yes/No/N.A

q) Is there any stock which is written-off? Yes/No/N.A

r) Is there any major depletion in stock? Yes/No/N.A

s) Is there any depletion in value of stock
Incorporated in the books of accounts/final
statement of accounts? Yes/No/N.A

t) Is there any stock seized by govt. department which is not released? Yes/No/N.A

u) Has certificate being obtained for stock in hand? Yes/No/N.A

v) Is difficult to identifying the stock items due to verifying size, quality, and size? Yes/No/N.A

w) Is there any deed stock/stock not in use and nature of accounting treatment of such stock? Yes/No/N.A

x) Is the stock hypothecation to Bank? Yes/No/N.A

y) Is there any stock of spare parts, Machinery parts etc. & has it been take into account in valuation of closing stock? Yes/No/N.A.

z) Does the inventory include VAT/input credit if yes indicates the mode of valuation of stock and diversion from accounting practices.

Aa) Does inventory include service tax if yes indicates the mode of valuation of stock and diversion from accounting practices. Yes/No/N.A

Books of Accounts

a) Are the books manual?	Yes/No/N.A
b) Are the books computerized?	Yes/No/N.A
c) Are branch books kept together/centralized?	Yes/No/N.A
d) Is the branch accounting done separately?	Yes/No/N.A
e) Type of books of accounts Ledger, Cash Book ,Bank book, Journal, Sale register ,Purchase register	
f) Are any books not made available?	Yes/No/N.A
g) Do books tally with Excise records?	Yes/No/N.A
h) Do records tally with Sales Tax records?	Yes/No/N.A
i) Does the sale tally with Entry tax return?	Yes/No/N.A
j) Is there any MODVAT claim?	Yes/No/N.A
k) Is there any other specific person, who is control of books of accounts if yes, indicate name.	Yes/No/N.A
l) Is there changes in page of books, cutting are authenticated etc?	Yes/No/N.A
m) Do the books of account tally?	Yes/No/N.A
n) Does the opening balances tally with books?	Yes/No/N.A

o) Do books match the financial statement? Yes/No/N.A

p) Were the books bound when available? Yes/No/N.A.

q) Do you notice any fraudulent activity? Yes/No/N.A

r) Are books maintained on cash/accrual basis? Yes/No/N.A

s) Is there deviation in normal business practice of maintaining of books of accounts? Yes/No/N.A

t) Has any diversion of funds come to notice? Yes/No/N.A

u) Has any major loss being incorporated in books? Yes/No/N.A

v) Are all income incorporated in books? Yes/No/N.A

w) Are there ESI, PF, register, Salary register? Yes/No/N.A

x) Are records properly stocked & easily available? Yes/No/N.A

y) Are voucher properly filed? Yes/No/N.A

Z) Are bills of sales, purchase filed in separate files? Yes/No/N.A

Aa) Are bills & vouchers signed by responsible persons? Yes/No/N.A

Ab) Are Bank's reconciliation done? Yes/No/N.A

Ac) All expenses matched with revenue and do they pertain to the relevant in year? Yes/No/N.A

Ad) Is there revenue stamp on Cash payment of
Requisite value? Yes/No/N.A

Ae) Is cash payment done on bill itself? Yes/No/N.A

Af) Person in-charge of maintaining books.

RELATED PARTIES TRANSACTION/ACCOUNTS

a) Are any entries with related parties under the same management? Yes/No/N.A

b) Are all such entries being repeated? Yes/No/N.A

c) Are related party transactions being reported in notes to accounts? Yes/No/N.A

d) Are related party outstanding reported in notes to accounts? Yes/No/N.A

e) Is there case of division of funds to related parties? Yes/No/N.A

f) Are all transactions at book value or at market price? Yes/No/N.A

g) Are there any transactions which are inflated? Yes/No/N.A

h) Is there compliance of laws, government compliance of such transaction like deposit of TDS, sales tax etc? Yes/No/N.A

i) Indicate related parties and nature of transaction.

j) Are there any major transfers of assets to
related parties? Yes/No/N.A

k) Are advances given to directors / firm/
company under same management? Yes/No/N.A

l) Are advances received from directors/
firm/companies under the same management? Yes/No/N.A

m) Is interest being paid on such advances? Yes/No/N.A

n) Any other matter that has come to notice?

VALUATION OF ASSETS

a) Are fixed assets reflected in books at cost or at
W.D.V./S.L.M? Yes/No/N.A

b) Rates of depreciation as per Companies Act/
Income Tax act correctly levied.

c) Depreciation levied at S.L.M./WDV method.

d) Are all current assets realizable at least to the
extent stated in the Balance sheet? Yes/No/N.A

e) Are all investment reflected at cost/market
price? Yes/No/N.A

f) Is the change is valuation of investments taken
into accounts, in books? Yes/No/N.A

g) Are there any assets in foreign currency given reference if any? Yes/No/N.A

h) Are there debtors older than 6 months? Yes/No/N.A

i) Are confirmation obtained from debtors including squared-up accounts? Yes/No/N.A

j) Are all advances to employees, outsiders suppliers confirmed? Yes/No/N.A

k) Sources of confirmation available internal / external.

l) Are there any overdue advances/debtors? Yes/No/N.A

INTERNAL CONTROLS

a) Is there any internal audit system existing? Yes/No/N.A

b) Is there system of internal audit effective? Yes/No/N.A

c) Is the factory/premise/plant under government control such as excise dept. etc? Yes/No/N.A

d) Is there any reported fraud? Yes/No/N.A

e) Is any fraud detected during the audit? Yes/No/N.A

f) Are there any instances which have come to notice of wrong reporting to government departments? Yes/No/N.A

g) Is there depletion/erosion of capital of the
firm/company under audit? Yes/No/N.A

h) Are personal expenses booked in books of the
firm/company/unit? Yes/No/N.A

i) Are personal charged to directors/partners/proprietor? Yes/No/N.A

GOVERNMENT DUES/OTHER DEFAULTER

a) Are there default in payment of - Yes/No/N.A

(i) Income tax dues,
Disputed/Undisputed
(ii) Excise liability
Disputed/Undisputed
(iii) Sales Tax dues
Disputed/Undisputed
(iv) Service Tax
Disputed/Undisputed
(v) Entry Tax
Disputed/Undisputed
(vi) ESI
Disputed/Undisputed
(vii) Provident fund
Disputed/Undisputed
(viii) Any other government dues
Disputed/undisputed

b) Is there any penalty/interest levied by government
department? Yes/No/N.A

c) Are there any bank defaults? Yes/No/N.A

d) Is there any default under FCRA? Yes/No/N.A

e) Is there any short fall in realization of foreign exchange payments from calculation of 80HHC benefits under Income tax Act, If yes, give details ? Yes/No/N.A

f) Does the client appear on defaults list of RBI? Yes/No/N.A

g) Is there any indication of client being on caution list of government agencies? Yes/No/N.A

h) Is the client regular in payment of fee (Audit)? Yes/No/N.A

i) Are there cases of diversion of funds of Bank/Financial institution for purpose other than for which they were received? Yes/No/N.A

j) Are there any expenditure incurred in respect of income not includible in total income u/s 14A? Yes/No/N.A

k) Are the returns for service tax filed if yes is there any delay in filing of the return or delay in deposit of tax if yes indicate Yes/No/N.A

- (i) Period of delay Filing of return
- (ii) Period in delay of deposit in tax
- (iii) Default in collection of tax
- (iv) Is proper input credit taken
- (v) Are there any refunds
- (vi) Is the service tax collecting on gross billing
- (vii) Is the service tax collected on

reimbursement

(viii) Are there any transaction of which deduction is allowed on payment basis (section 43B) ?

(ix) Any other non compliance.

l) Are the returns for TDS filed if yes is there any delay in filing of the return or delay in deposit of tax if yes indicate Yes/No/N.A

(i) Period of delay Filing of return

(ii) Period in delay of deposit in tax

(iii) Default in collection of tax

(iv) Are there any refunds

(v) Is the TDS collecting on gross billing i.e. including service tax

(vi) Are there any cases where no TDS is deducted and form part of Section 40(a)

(vii) Are there any transaction of which deduction is allowed on payment basis (section 43B) ?

(viii) Any other non compliance

m) Are the returns for VAT filed if yes is there any delay in filing of the return or delay in deposit of tax if yes indicate

(i) Period of delay Filing of return

(ii) Period in delay of deposit in tax

(iii) Default in collection of tax

(iv) Are there any refunds

(v) Any other non compliance.

(vi) Any disallowance u/s 43B

n) Are the returns for fringe benefit tax filed if yes

is there any delay in filing of the return or delay
in deposit of tax if yes indicate Yes/No/N.A

(i) Period of delay Filing of return
(ii) Period in delay of deposit in tax
(iii) Are there any refunds
(iv) Any other non compliance.

o) Are the return of Excise/ Custom filed if yes is there any delay in filing of the return or delay in deposit of tax if yes indicate Yes/No/N.A

(i) Period of delay filing of return
(ii) Period in delay of deposit in tax
(iii) Are there any refunds
(iv) Any other non compliance

p) Is ESI /PF being deducted and deposited timely , if NO then indicate period of delay Yes/No/N.A