What is Physical Audit :

Physical is a special audit practice which involves mainly two functions.

1. Verification
2. Reconciliation Verified Data Vs Book Data

In Audit Industry there are lot of scope where physical audit may be demanded and some time it is mandatory as per CARO requirement like stock & fixed asset to be verified as per CARO requirement. Also as per management satisfaction management wants to conduct physical audit at regular interval.

In Industry mainly following type of Physical Audit is being done.

1. Inventory/Stock Audit
2. Fixed Asset Audit
3. Special Audit for Document Verifications

Physical Audit Execution

1. Clear Understanding the object of Group for Physical Audit
2. Finalizing Final Objective of Group's Physical Audit
3. Discussing About Location and Quantum of verification
4. Audit Staffing as per Scope
5. Getting Geographical Map for Physical Audit
6. Getting Book Physical
7. Finalization of Audit Program as per Location/Item wise
8. Monitoring of Physical Movement During Physical Audit
9. Getting Variances at the end of Physical Audit
10. Observing Risk Element During Audit
11. Exceptional Variance Reporting at Real Time
12. Summary Variance Report at Real Time
13. Detail Variance Report at the end of Audit Calendar