AUDIT PLAN

S No	Particulars	Remarks	Done by
AUDIT OF BALANCE SHEET ITEMS			
1	**Verification of Opening Balances**		
a.	Carry one copy of last audited Balance Sheet		
b.	Take Opening Trial Balance duly Certified by Client for opening balance verification		
c.	If any deviation, Note the same and inform the client to correct it and take print out of the correct Opening Trial Balance		
2	**Capital & Reserves**		
a.	Is certificate obtained that the balances of Capital agree with the capital as per the Proprietor / Partner's Balance-Sheet ?		
b.	Is distinction made for Capital Contribution in cash or for consideration other than cash?		
c.	Is distinction made for revenue reserves and capital reserves ?		
d.	Check the minutes books to see the relevant decision affecting capital and Reserve & Surplus?		
3	**Verification of Secrued Loans**		
a.	Obtain Secrued Loans Balances as per Books		
b.	Obtain duly certified Secured Loans Statements from the management		
c.	If any deviation, obtain Reconcilation Statements		
d.	Check whether any payment has been made by any Person other than Assesee. Why?		
e.	Check whether Principal and interest is properly segregated and accounted or not ?		
4	**Verification of Unsecrued Loans**		
a.	Obtain Secrued Loans Balances as per Books		
b.	Obtain duly certified Secured Loans Statements from the management		
	If any deviation, obtain Reconcilation Statements		
c.	Check whether any payment has been made by any Person other than Assesee. Why?		
d.	Check whether Principal and interest is properly segregated and accounted or not ?		
e.	Check whether any loan in excess of Rs. 20000 has been taken in Cash.		
f.	Check whether any repayment of loan in excess of Rs. 20000 has been made in Cash.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
	Audit of Current Liabilities & Provisions		
5	**Verification of Duties and Taxes & Expenses Payable**		
a.	Verify the Employee share of Provident Fund paid/payable with the challans and also verified whether the same are deposited with concerned authorities with in prescribed time limit or not.		
b.	Verify the Employee share of ESI paid/payable with the challans and also verified whether the same are deposited with concerned authorities with in the prescribed time limit or not.		
C.	Check whether Service Tax, Sales Tax,TDS, VAT, Bonus is paid on time or not. In case of payment after end of Financial Year but before the due date of filling of ROI verify the challans. (Refer sec. 43B)		
d.	Check TDS compliances, whether TDS is properly deducted or not, whether timely deposited or not,whether the rate on which TDS are deducted are Proper or not. Ensure the Overall TDS verification from TDS Returns. {Refer sec. - 40(a)(i), 40(a)(ia)}		
e.	Check Service Tax Compliances, whether Service Tax is properly deducted or not,whether timely deposited or not. Ensure the Overall Service Tax verification from Service Tax Returns.		
f.	Check whether provision for Income Tax for the year has been made or not ? Verify the Payment of Advance Tax, Self Assessment Tax with the relevant challans. In case TDS has been deducted on interest ensure thesame with 26 AS statement of CBDT and also obtain the TDS certificate.		
g.	Check whether provision for the VAT Payable, Service Tax Payable, wealth tax payable has been made or not, if required.		
	Verfiy the Porvision for the Last month of the Financial Year:		
h.	Power & Electricity		
i.	Cellelur & Telephone		
j.	Salary or other payments due to the Employees		
k.	Porvision for Gratuity, Leave Encashment etc., whatis the Basis of Estimation - Is it Based on Actuarial valauation?		

AUDIT PLAN

S No	Particulars	Remarks	Done by
6	**Sundry Creditors**		
a.	Check whether credior are paid for there current bill and Previous years bills are outstanding ? Check whether the payments are made on bill-wise or on account wise ?		
b.	In case of payment to Foreign Supplier, compliance of AS-11 (The effect of Changes in Foreign ExchangeRates) i.e the difference should be recorded as Foreign Exchange Fluctuation A/c.		
c.	In case of any doubt, obtain the confirmation from the third party i.e from the Creditors		
d.	Check the internal control procedure for the payment of the creditors. Is it satisfactory or not ?		
7	**Fixed Assets**		
a.	Phisically verification of the fixed assets.		
b.	Verification of bills for the additions during the year.		
c.	Verification of Deprication charged. In case of Company whether the rate of deprecation is as percompanies act or not ?		
d.	Verify that the expenses upto the installation of fixed assets is captialised or not ?		
e.	In case of Import, value of fixed assets and the exchange difference should be recorded as per AS-11.		
f.	Verify the legal ownership of the assets with the ownership title documents.		
g.	Verify that no depreciation has been claimed onthe portion on which CENVAT Credit or VAT Credit has been taken		
h.	Verify minute books,resolution etc. to check whether there is proper authorisation for purchase and sale of plant & machinery.		
i.	Check Compliance of AS-10 (Accounting for Fixed Assets) for valuation of Fixed Assets		
	Audit of Current Assets, Loans & Advances		
8	**Verfication of Bank Balances**		
a.	Obtain Bank Balances as per accounting records		
b.	Obtain duly certified Bank Statements from the management		
c.	If any deviation, obtain Reconcilation Statements		

AUDIT PLAN

S No	Particulars	Remarks	Done by
d.	Check whether the management reconciled the balances on monthly basis or not ?		
e.	Are there any cheque is pending for clearance for more than 3 month in reconcilation statement ?		
9	**Verification of Cash Book**		
a.	If Vouching is done on test basis, mention the basis of samples taken		
b.	Was Cash Balance negative at any time during the year ?		
c.	Is Revenue Stamp affixed on the payments exceeding Rs. 5000. ?		
d.	Check Internal Control on Cash handling, accounting and management.		
e.	Whether any Cash Payment was made for expenses in excess of 20000 and 35000 in case of transportation		
f.	Does Cash Book include any expenses of personal nature ?		
g.	Are all cash vouchers are authorised ?		
h.	Obtain Management Representation Letter for the verification of Cash Balance as on end of Financial Year		
10	**Loans and Advances**		
a.	Terms of loans and advances duly approved in writing by the competent authority? Check whether the Account is in confirmation with the terms and conditions?		
b.	Where security is taken against the loans, is the form and adequacy of security reviewed by a responsible official?		
c.	Are the loan and security documents kept in safe custody of a responsible official? Is a record of all such documents maintained and the documents periodically verified with reference to such record?		
d.	Does the system provide for identification of cases where principal and/or interest have become overdue or where any other terms are not being complied with?		
e.	Are confirmations of balances obtained at periodic intervals in the same manner as in the case of debtors?		

AUDIT PLAN

S No	Particulars	Remarks	Done by
11	**Customer Accounts**		
a.	Review the system of fixation and monitering the credit limit policy of the organisation.		
b.	In case of foreign debtor ensure the compliance of AS-11, the exchange difference should be recorded as 'Foreign exchange fluctuation A/c'.		
c.	Prepare Debtors Age-wise Statement for a period of more than 6 month and for 6 months or less		
d.	Check basis of provison for bad-debts however same is disallowed under Income Tax Act.		
e.	Check the basis of discount provided to Debtors.		
f.	Prepare Age-wise Statement for Advances Received from Customers for a period of more than 6 month and for 6 months or less		
g.	Check unusual transactions routed through customers Accounts		
12	**Valuation of Closing Stock**		
a.	Phiscally verify the quantitative details of stock along with the Certified Quantitative detail provided by the management.		
b.	Ensure the compliance of AS-2 i.e (Valuation of Inventories)		
c.	In manufacturing concern ,enusre the compliance of Costing Standards to determine the correctness of the stock i.e the apportionment of Overheads is proper or not.		
d.	Ensure the valuation basis is proper in case of partially processed goods.		
	Audit of Profit & Loss Items		
12	**Vouching of Sales/Revenue**		
a.	If Vouching is done on test basis, mention the basis of samples taken		
b.	Examine whetherthe basis of recognition of revenue by the entity is in accordance with the recognized accounting principles as laid down in (AS- 9)		
c.	Verify the Provisions of TCS are collected and Remitted on Sale of Bullion, Gold, Jewellery and ensure that the relevant provisions are Complied with.		
d.	Vouching with Sale Invoices and Verification of few Bills in-depth		

AUDIT PLAN

S No	Particulars	Remarks	Done by
e.	Whether Value, Quantity, Bill no, VAT and / or Excise on sales, Party Name are properly accounted ?		
f.	Are Sales related to the year under audit?		
g.	Are Sales reconciled with tax returns submitted with Sales tax/VAT/Excise authorties ? Prepare Sale Summary for the audited period		
h.	Is original copy of cancelled bills with the concerns ?		
i.	In case of Export, verify Bill of Entry and check the exchange accounting as per AS-11.		
j.	Obtain confirmation from Debtor, if there is any doubt in case of credit sale.		
13	**Vouching of Direct Expenses**		
	Purchases		
A)	**Examination of Records**		
a.	Examine whether the entity has instituted adequate cut-off procedures in relation to purchases and purchase returns.		
b.	Examine the efficacy of cut-off procedures.		
c.	Examine the selected receipt documents (such as, goods received notes) pertaining to a few days immediately before the year-end and verify that the related purchase invoices have been recorded as purchases of the current year.		
d.	Examine selected entries in the purchase journal with reference to the related purchase invoices, receipt records and other supporting documents such as, the purchase orders.Also trace the selected entries to the suppliers' account.		
e.	While examining purchase invoices, examine whether subsidies, rebates, duty drawbacks or other similar items have been properly accounted for.		
f.	Examine selected receipt records with reference to related purchase invoices and the purchase journal		
g.	Examine selected entries of Purchase returns with reference to the goods returned notes, debit notes and entries in the suppliers' accounts. Similarly, select debit notes with reference to purchase returns, goods returned notes, and entries in the suppliers' accounts.		
h.	In case of transactions between related parties, pay special attention to nature and description of such transactions.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
i.	Obtain a representation from the management to the effect that the entity has complied with the legal and regulatory requirements, if any.		
j.	Carry out the following procedures in addition to the usual audit procedures applicable in respect of domestic purchases:		
k.	Besides examining the usual documents relating to purchases, also examine documents such as, bill of lading, custom documents, etc., which are specific to import transactions		
l.	Pay special attention to the terms of import relating to the incidence of charges like insurance and freight, i.e., whether the imports are on C.I.F. basis, or F.O.B. basis, or some other basis.		
m.	Examine that imports for which consideration is payable In a foreign currency are recorded at an appropriate amount in accordance with accounting Standard (AS) 11, Accounting for the Effects of Changes in Foreign Exchange Rates.		
B)	**Analytical Procedures**		
a.	Compare item-wise and location-wise, both quantity and value, of purchases for the current year /period with the corresponding figures for previous years/periods.		
b.	Compare ratio of gross margin to Sales for the current year/period with the corresponding figures for previous years/periods		
c.	Compare ratio of purchase returns to purchases for the current year/period with the corresponding figures for previous years/periods		
d.	Product-wise reconciliation of Quantity sold during the year/period with opening stock, purchases /production and closing stock.		
e.	Work out quantitative ratios and reconciliations, e.g., relate the quantum of output to the quantum of input to judge its reasonableness.		
f.	In case segment information is available, the above procedures may be carried out for each segment.		
g.	Verify payments subsequent to the date of the balance sheet to identify any purchases which have not been recorded in the books of account.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
h.	If Vouching is done on test basis, mention the basis of samples taken		
i.	Vouching with Purchase Invoices		
j.	Verification of few Bills in-depth		
k.	Whether Value, Quantity, Bill no, VAT and / or Excise on purchase, Party Name are properly accounted ?		
l.	Are purchase related to the year under audit?		
m.	Are purchases reconciled with tax returns submitted with Sales tax/VAT/Excise authorties ?		
n.	Obtain confirmation from Creditor, if there is any doubt in case of credit purchase		
o.	Are purchase entered under the appropriate head i.e raw material, consumable stores etc.		
p.	Check the Internal Control Procedure for purchase order, procurment, accounting and payment for purchases.		
q.	Verify the various VAT Forms like C-Form,H-Form and others, wherever required		
C)	**Conversion Costs**		
a.	Verify other conversion costs (Making Charges, Testing Charges, etc.) with reference to the supporting documents and related agreements. In case the material is sent outside to third parties for processing, necessary charges including materials, wastage, etc., need to be ascertained and accounted for.		
b.	Compare the amount of expense on a particular item with the corresponding figure for previous years.		
c.	Work out the ratios of different items of conversion costs to total cost of production for the current year and compare the same with the corresponding figure for previous years.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
14	**Vouching of Salary/Wage**		
	Examination of Records		
a.	Examine the entries in the Payroll /wage sheets with reference to relevant records, e.g., Employee's records maintained by the personnel department showing details of pay such as, basic pay, allowances, annual increments, leaves availed, etc.		
b.	Attention may also be paid in respect of new employees joining the entity during the year.		
c.	Examine with reference to theTime records/attendance Records and leave records maintained by the personnel department.The deductions made in respect of income-tax, provident fund, Employees' State Insurance (ESI), welfare schemes, health schemes, etc., may be examined with reference to the returns submitted to the authorities concerned and the receipts/acknowledgements issued by such authorities.		
d.	In the case of senior management officials, pay particular attention to determining whether the salaries payable are as per the terms of contract with the employees concerned. Special requirements of terms of contract such as, granting stock options (as per schemes formulated by SEBI), availing leave encashment, total amount payable annually including ex-gratia, etc., should be specifically looked into.		
e.	In the case of casual labour, besides carrying out the other audit procedures, specifically examine the sanction of the competent authority for employment of such labour and ascertain whether such employees are retained as per time rate or piece-rate basis. In appropriate cases, make a surprise visit to the sites where the casual labor is employed to assess the correctness of the attendance records maintained in respect of such labor. In cases where complete outsourcing of labor has been given to an outside agency, the terms of agreement and compliance thereof should be examined.		
f.	Obtain a list of employees who have retired or otherwise left the services of the entity during the period under audit and examine that they have not been included in the payroll.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
	Analytical Procedures		
a.	Compare wage bill for the year/period with the wage bill of previous years /periods.		
b.	Compare monthly wages and salaries of a month with other months during the year/period and with the corresponding month of the previous years/periods.		
c.	Compare the wage bill for each department/unit for the current year/period with the corresponding figures for previous yeas/periods.		
d.	Compare the ratios of wages and salaries to sales for the current year/period with the corresponding figures for previous yeas/periods.		
e.	Compare the ratio of wages and salaries to cost of production for the current year/period and with the corresponding month of the previous years/periods.		
f.	Compare the ratio of contribution towards provident fund to wages and salaries for the current year/period with the corresponding figures for previous years/ periods		
g.	Compare the ratio of contribution towards provident fund to wages and salaries for the current year/period with the rate(s) of contribution specified under the law governing provident fund.		
h.	Compare the ratio of contribution towards ESI to wage and salaries for the current year/period with the corresponding figure for previous years/periods.		
i.	Compare the ratio of contribution towards ESI to wages and salaries for the current year/period with the rate(s) of contribution specified under the law governing the ESI.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
15	**Vouching of Bonus**		
a.	Case of provision for bonus, examine whether the liability is provided for in accordance with the Payment of Bonus Act,1965, and/or agreement with the employees or award of competent authority.		
b.	Where the bonus actually paid is in excess of the amount required to be paid as per the provisions of the applicable law /agreement / award, specifically examine the authority for the same (e.g.,resolution of board of directors in the case of a company).		
16	**Vouching of Retirement Benefits**		
a.	Examine whether the entity is liable to pay any retirement benefits to its employees such as provident fund, superannuation /pension, gratuity, etc., whether in pursuance of requirements of any law and/or in terms of agreement with the employees.		
b.	If so, whether the amount payable has been computed in accordance with the relevant legal and/or contractual requirements.		
c.	In respect of gratuity/pension, examine whether the provision for accruing gratuity/pension liability has been made by the entity.		
d.	Examine the adequacy of provision with reference to the actuarial certificate obtained by the entity.		
e.	In case the entity has not obtained such an actuarial certificate, examine that the method followed by it,say, group gratuity insurance scheme taken by the entity for calculating the accrued liability for gratuity is rational.		

AUDIT PLAN

S No	Particulars	Remarks	Done by
17	**Vouching of Establishment Expenses**		
a.	Verify establishment expenses and general administrative expenses such as Insurance, Rent, Rates, Conveyance, Traveling, Telephone, Entertainment, Printing and Stationery, General Expenses, etc., with reference to the sanction of the competent authority,the supporting documents,related agreements and the rules and regulations followed by the entity.		
b.	Scrutinize the repairs and maintenance account to ascertain that new fixed assets and substantial improvements to existing assets (which are in capital nature) have not been included in repairs and maintenance.		
c.	Compare the amount of these expenses with the corresponding figures for previous years.		
d.	Work out the ratios of different items of expenses to sales for the current year and compare the same with the corresponding figures for previous years.		
18	**Vouching of Interest and Financial Charges**		
a.	Verify the amount of interest expense for the year with reference to the terms and conditions of relevant agreements.		
b.	Work out the ratio of interest expense for the year to average interest bearing loans and advances outstanding during the year and compare it with the corresponding figure for previous years and reconcile the same.		
c.	Examine that interest as well as other financing costs such as, commitment fees on funds borrowed for a qualifying asset included in the gross book value of the asset to which they relate have not been charged to the Profit and Loss Account of the period in which they are incurred.		
19	**Journal & Miscellaneous**		
a.	If Vouching is done on test basis, mention the basis of samples taken		
b.	Ensure proper distinction between revenue and capital nature items		
c.	Are entries made under proper head of accounts.		