

Planning and Programming of Audit

This 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 and Residential address of Directors, Managing Directors, Accounts Managers, and Financial Controllers, if any
7. List of books and other records maintained
8. Associate concerns: Nature of Dealings
 - Subsidiaries
 - Companies under same management – section 370
 - Group companies – section 301
9. Audit Team :
 - Name of the audit Engagement Partner
 - Name of Audit Team Leader
 - Names of Assistants/Articled Clerks
10. Review of permanent file and previous year's file
11. Special matters to be considered (based on points raised in the previous year)
12. Audit tests not done annually which are to be done this year
13. Review of scope of internal audit — in house and/or independent for factories, branches, etc.
14. The budgeted results of the client and the consequent effect on audit approach. – Comparison of budgets with actual and reasons for variances.
15. The extent of materiality levels



16. The extent of auditor's attendance at stock-taking and cash counts
17. Matters arising out of meetings or telephone conversations with the client since the previous audit
18. Matters arising out of correspondence including any reports issued relating to client's results, systems or internal audit
19. Matters appearing in any other source such as newspapers, articles, press conference etc.
20. The time table for the audit, projected dates of reviews and signoff.
21. Time, budget and fee estimate
22. Any other relevant matter
23. Summary of Accounting Policies
24. Computerization
 - a. Before starting the audit, ascertain whether the accounts are completely and uniformly 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.
25. Branches
 - a. Where the company has branches ascertain the manner in which these branches are controlled and how the records are maintained and whether returns of accounts are received at reasonable intervals.
 - b. If the Branch is subject to audit by statutory appointed branch auditors, review the audited accounts and Report.
 - c. In other cases, accounts will have to be audited by statutory auditor.
 - d. See that accounting principles and policies followed by the branch / branches are in line with the Head Office and the same accounting manuals are followed.
 - e. Obtain copies of circulars/instructions issued to branch relating to accounts and accounting functions.



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.

	<i>Checked by</i>	<i>Time taken</i>	<i>% checking</i>	<i>Extent of Test check eg – Monthly/ Qtrly/Half Yrly/ every 10th voucher</i>
1 Opening Balance tracing				
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 registers 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 statements				
12 Provision for Taxation/compare with completed assessment order/s				
13 Valuation of inventories – Shortages Basis				



	<i>Checked by</i>	<i>Time taken</i>	<i>% checking</i>	<i>Extent of Test check eg. – Monthly/ Qtrly/Half Yrly</i>
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 as per Annexure III of Chapter 5.				
17 Inspection of files related to law suits, legal matters, taxation, excise, octroi, frauds, etc.				
18 Loans & Guarantees				
19. Transactions with related parties				

Checked by:

Reviewed by: