

# Audit Working Paper Templates



**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

# Audit Working Paper Templates

## For Kind Attention of Readers

These Audit Working Paper Templates are illustrative in nature. Members are advised to suitably modify the same as per the facts, circumstances, and nature of the entity under audit.

This document neither supersedes nor is a replacement of any Guidance/ Pronouncements/ Standards issued by ICAI. Members are advised to read or use the Audit Working Paper Templates in conjunction with the relevant Standards issued by ICAI.

Members are also advised to exercise their professional judgement while using the Audit Working Paper Templates.



**The Institute of Chartered Accountants of India**  
(Set up by an Act of Parliament)  
**New Delhi**

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# Foreword

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The Auditing and Assurance Standards Board (AASB) of ICAI has been taking various steps to support the members in conducting their audit engagements effectively. The Board organizes regular training programmes (seminars, workshops, conferences, webinars) on Standards on Auditing and other auditing aspects to update the members. Issuing Implementation Guides on various Standards on Auditing is another important activity towards knowledge dissemination and creating awareness about the Standards. The Board also issues various technical literature on auditing e.g. Guidance Notes, Technical Guides to provide guidance to the members on generic as well as industry specific auditing issues.

I am happy to note that the Auditing and Assurance Standards Board has come out with the publication, “**Audit Working Paper Templates**”. The publication contains templates of various audit working papers which are required to be prepared by auditors during the course of their audit assignment in accordance with the requirements of Standards on Auditing. The publication also contains templates of other important audit working papers e.g. Schedule III of Companies Act 2013 checklist, CARO 2020 checklist. I am also happy to note that the publication is quite comprehensive and will help the auditors in preparing their audit working papers in consistent and effective manner. Members and Firms should use these Templates in conjunction with the Standards on Auditing, Guidance Notes and related pronouncements and suitably modify it to suit the facts, circumstances, and nature of the entity under audit.

I compliment CA. (Dr.) Sanjeev Kumar Singhal, Chairman, CA. Vishal Doshi, Vice-Chairman and other members of the Auditing and Assurance Standards Board for their efforts in bringing out this Publication for the benefit of the members at large.

I am confident that the members and other interested readers would find this Publication immensely useful.

June 21, 2023  
New Delhi

**CA. Aniket Sunil Talati**  
President, ICAI



# Preface

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Audit documentation (audit working papers) is considered the backbone of an audit. The work that the auditor performs, the explanations given to the auditor, the conclusions arrived at by the auditor, all are evidenced by audit working papers. Standard on Auditing (SA) 230, “Audit Documentation” prescribes the basic principles of audit documentation. These principles need to be followed by auditors while complying with requirements of SA 230 and specific documentation requirements of other Standards on Auditing. SA 230 and other Standards on Auditing prescribe various requirements for preparing audit working papers. Auditors are also required to prepare other audit working papers in respect of audit work done by them pursuant to applicable legal and regulatory requirements.

It gives us immense pleasure to place in hands of the members, this publication “**Audit Working Paper Templates**” brought out by the Auditing and Assurance Standards Board. The publication contains templates of various audit working papers which are required to be prepared by auditors in accordance with the requirements of Standards on Auditing. The publication also contains templates of other important audit working papers e.g. Schedule III of Companies Act 2013 checklist, CARO 2020 checklist. The publication will help the auditors in preparing their audit working papers in consistent and effective manner. The members are also cautioned that these templates will need to be used by them considering the size and complexity of the entity under audit and they will need to use their professional judgment in this regard.

We would like to thank CA. Aniket Sunil Talati, President, ICAI and CA. Ranjeet Kumar Agarwal, Vice-President, ICAI for their guidance and support in various endeavours of the Board.

We are extremely grateful to CA. Sanjay Chopra for his contribution in developing the basic draft of the publication. We express our sincere thanks to CA. Sunil Garg for his contribution in reviewing the publication. We also express our sincere thanks to CA. (Dr.) Alok Kumar Garg for his contribution in reviewing the portion containing accounting references.

We wish to place on record high appreciation of all Board members and special invitees to the Board *viz.* CA. Chandrashekhar Vasant Chitale, CA. Durgesh Kabra, CA. Dheeraj Kumar Khandelwal, CA. Purushottamlal Khandelwal, CA. Mangesh Pandurang Kinare, CA. Priti Paras Savla, CA. Piyush Sohanrajji Chhajed, CA. Dayaniwas Sharma, CA. Sridhar Muppala, CA. Sripriya Kumar, CA. (Dr.) Debashis Mitra (Past President, ICAI), CA. Rohit Ruwatia Agarwal, CA. Abhay Kumar Chhajed, CA. Anuj Goyal, CA. Gyan Chandra Misra, CA. Prakash Sharma, CA. (Ms.) Kemisha Soni, CA.(Dr.) Raj Chawla, CA. Hans Raj Chugh, CA. Pramod Jain, CA. Charanjot Singh Nanda, Shri Deepak Kapoor, Adv. Vijay Kumar Jhalani, CA. Sekar G., CA. Gaurav Rawat, CA. Ashok Kumar Pandey, CA. Geeta Dhingra, CA. Ganesh

B, CA. Shrikant Narayan Dandavate, CA. D N Agrawal, CA. Pankaj Khullar, CA. Viren Bhanuchandra Shah, CA. Dhananjay Gokhale, CA. Amit Mitra, CA. Sandeep Sharma, CA. Lalit Kumar, CA. Parveen Kumar, CA. Sumant Chadha, CA. Rajesh Mody, CA. Rajeev Saxena, Shri Atma Sah, CA. Aniruddha Godbole, CA. Ridhima Dubey, CA. Avinash Aggarwal, CA. Narender Singhania, CA. Gulshan Grover, CA. Anurag Totuka, CA. Rahul Aggarwal, CA. Bhuwanesh Kumar Thakur, CA. Naresh Aggarwal, CA. Deepa Agarwal, CA. Pallav Gupta, Shri Jeevan Sonparote, Shri Raushan Kumar, Shri Rambabu Gorli, CA. Ramkumar Pandey, Shri Nethaji Bhudevan and CA. Tanmay Gupta for their suggestions in finalising the publication. We appreciate the contribution made by CA. Megha Saxena, Secretary, AASB and staff of AASB in finalising the publication.

We are confident that the publication would be well received by the members and other interested readers.

**CA. Vishal Doshi**  
Vice Chairman, AASB

**CA. (Dr.) Sanjeev Kumar Singhal**  
Chairman, AASB

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# Abbreviations

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C Audit Team  
T Engagement Manager  
A Engagement Partner

1.	KYC	Know Your Customer
2.	ROU	Right of Use
3.	CWIP	Capital Work in Progress
4.	FD	Fixed Deposits
5.	EPCG	Export Promotion Capital Goods
6.	NRV	Net Realisable Value
7.	BRS	Bank Reconciliation Statement
8.	MCA	Ministry of Corporate Affairs
9.	PT	Professional Tax
10.	ESIC	Employee State Insurance Corporation
11.	LWF	Labour Welfare Fund
12.	DB	Distribution Expenses Balance
13.	ECL	Expected Credit Loss
14.	TOC	Test of Control
15.	TOD	Test of Detail
16.	MTM	Month to Month
17.	BOE	Bill of Entry
18.	ECB	External Commercial Borrowing
19.	PF	Pension Fund
20.	CAPEX	Capital Expenditure
21.	ESOP	Employee Stock Option Plan
22.	SLM	Straight Line Method
23.	GL	General Ledger
24.	AOA	Articles of Association
25.	MOA	Memorandum of Association

**Audit Working Paper Templates**

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26.	FOB	Free on Board
27.	CIF	Cost, Insurance and Freight
28.	SAD	Summary/Schedule of Unadjusted Differences
29.	SUM	Summary of Uncorrected Misstatements
30.	ICFR	Internal Control over Financial Reporting
31.	PPE	Property, Plant and Equipment
32.	GST	Goods and Services Tax
33.	MSME	Micro, Small and Medium Enterprises
34.	ICEGATE	Indian Customs EDI Gateway
35.	SIT	Stock-in-Trade

# Introduction

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Audit work papers are crucial component of the statutory audit process. They are written record of audit procedures performed, the findings and the conclusions reached by the auditor. Standard on Auditing (SA) 230, “Audit Documentation” sets out the principles that auditors should follow when preparing audit documentation.

SA 230 requires auditors to prepare sufficient and appropriate audit documentation to support their audit opinion. This standard provides in principle guidance on the form, content, and extent of audit documentation and assembly of the final audit file.

The standard also requires auditors to document their compliance with standards on auditing besides various regulatory requirements and to prepare a final audit file that includes all audit documentation. The standard emphasizes the importance of audit documentation as evidence that the audit was planned and performed in accordance with Standards on Auditing and applicable legal and regulatory requirements.

Various types of information should be included in audit work papers, such as audit plan, audit procedures performed, the results of those procedures, and the conclusions arrived at by the auditor besides documenting professional judgment and the reasons for that judgment of the auditor. There are some key advantages of having proper audit file. First and foremost, audit work papers provide evidence of the work carried out and the basis for the auditor's opinion.

Proper audit work papers help the auditor or reviewer to gain confidence that the quality of the audit was up to the mark if a record of the audit procedures is maintained along with the evidence. Other advantages of audit work papers are:

- Auditors will be able to demonstrate that the audit was performed in accordance with standards on auditing.
- Audit work papers also serve as a reference point for future audits.
- Audit work papers also facilitate communication among the engagement team members. They provide a common reference point to discuss their findings, conclusions and issues involved.

## **Audit Working Paper Templates**

These templates attempt to help in the manner that the audit work papers are consistently structured and formatted, making it easier for the professional or audit firms carrying audits to organize and document the procedures performed. This will help in bringing consistency and make it easier for auditors to prepare audit file. This can also help auditors in saving time by providing a structure for the audit work papers and be more efficient and reduce the time required.

## **Audit Working Paper Templates**

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There may be overlapping at some places in work paper templates, which have been kept for the better utility of the document. These templates will need to be used considering the size and complexity of the entity under audit and professionals may use their judgement if they need to make any change in a particular work paper as per the requirements.

## **Chapter 1: Appointment**

- 1.1 A Note on Appointment
- 1.2 ADT-1
- 1.3 Challan of ADT-1
- 1.4 Engagement Acceptance / Continuation Decision Checklist
- 1.5 Engagement Letter
- 1.6 Independence Confirmations
- 1.7 Confidentiality Undertakings





<b>Chapter</b>	<b>1.1</b>		Name	Initial
<b>Topic</b>	<b>A Note on Appointment</b>	Prepared		C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed		T
<b>Task</b>	<b>Statutory Audit</b>	Approved		A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

Standard on Auditing (SA) 210, “Agreeing the Terms of Audit Engagements” deals with the auditor’s responsibilities in agreeing to the terms of the audit engagement with management and, where appropriate, those charges with governance. SA 210 establishes the preconditions for an audit, terms of an audit engagement and changes thereof, segregates the responsibility of the management and auditors etc.

Auditor’s Objective is to accept or continue an audit engagement only when the basis upon which it is to be performed has been agreed, through

1. Ensuring if the Preconditions for an audit are present and
2. Confirming if there is a common understanding between auditor and management and, where appropriate, those charged with governance of the terms of the audit engagement.

**Draft format of Engagement letter**

To,

The Board of Directors of ..... (name of the Entity)

*(Address)*

Dear Sirs,

I / We refer to the letter dated \_\_\_\_\_ informing me / us about my / our (re) appointment as the auditors of the Company. You have requested that I / we audit the financial statements of the Company as defined in Section 2(40) of the Companies Act, 2013 (‘Act’), for the financial year(s) beginning April 1, 2xx2 and ending March 31, 2xx3. The financial statements of the Company include, where applicable, consolidated financial statements of the Company and of all its subsidiaries, associate companies and joint ventures. I am / We are pleased to confirm my / our acceptance and my / our understanding of this audit engagement by means of this letter.

My / Our audit will be conducted with the objective of me / our expressing an opinion if the aforesaid financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2xx3, and its profit/loss and its cash flows for the year ended on that date which, *inter alia*, includes reporting in conjunction whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. In forming my / our opinion on the financial statements, I / we will rely

on the work of branch auditors appointed by the Company and my / our report would expressly state the fact of such reliance.

(User may delete sentence on branch auditors where not applicable)

I / We will conduct my / our audit in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Act. Those Standards require that I / we comply with ethical requirements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, including the possibility of collusion or improper management override of controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed in accordance with the SAs. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

My / Our audit will be conducted on the basis that the Management and those charged with governance (Audit Committee / Board) acknowledge and understand that they have the responsibility:

- (a) For the preparation of financial statements that give a true and fair view in accordance with the applicable Financial Reporting Standards and other generally accepted accounting principles in India. This includes:
  - Compliance with the applicable provisions of the Act.

- Proper maintenance of accounts and other matters connected therewith.
  - The responsibility for the preparation of the financial statements on a going concern basis.
  - The preparation of the annual accounts in accordance with, the applicable accounting standards and providing proper explanation relating to any material departures from those accounting standards;
  - Selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
  - Taking proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - Laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
  - Devising proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (b) Identifying and informing me / us of financial transactions or matters that may have any adverse effect on the functioning of the Company.
- (c) Identifying and informing me / us of :
- All the pending litigations and confirming that the impact of the pending litigations on the Company's financial position has been disclosed in its financial statements;
  - All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards; and
  - Any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) Informing me / us of facts that may affect the financial statements, of which Management may become aware during the period from the date of my / our report to the date the financial statements are issued.
- (e) Identifying and informing me / us as to whether any director is disqualified as on March 31, 2xx3 from being appointed as a director in terms of Section 164 (2) of the Act. This should be supported by written representations received from the directors as on March 31, 2xx3 and taken on record by the Board of Directors.
- (f) To provide me / us, *inter alia*, with:
- (i) Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
  - (ii) Access, at all times, to the records of all the subsidiaries (including associate companies and joint ventures as per Explanation to Section 129(3) of the Act) of the Company in so far as it

relates to the consolidation of its financial statements, as envisaged in the Act;

- (iii) Access to reports, if any, relating to internal reporting on frauds (e.g., vigil mechanism reports etc.), including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the Act;
- (iv) Additional information that I / we may request from the Management for the purposes of my / our audit;
- (v) Unrestricted access to persons within the Company from whom I / we deem it necessary to obtain audit evidence. This includes my / our entitlement to require from the officers of the Company such information and explanations as I / we may think necessary for the performance of my / our duties as the auditors of the Company; and
- (vi) All the required support to discharge my / our duties as the statutory auditors as stipulated under the Companies Act, 2013/ standards on auditing and applicable guidance.

As part of my / our audit process, I / we will request from the Management written confirmation concerning representations made to me / us in connection with my / our audit.

My / Our report prepared in accordance with relevant provisions of the Act would be addressed to the shareholders of the Company for adoption of the accounts at the Annual General Meeting. In respect of other services, my / our report would be addressed to the Board of Directors. The form and content of my / our report may need to be amended in the light of my / our audit findings.

In accordance with the requirements of Section 143(12) of the Act, if in the course of performance of my / our duties as auditor, I / we have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, I / we will be required to report to the Central Government, in accordance with the rules prescribed in this regard which, *inter alia*, requires me / us to forward my / our report to the Board or Audit Committee, as the case may be, seeking their reply or observations, to enable me / us to forward the same to the Central Government.

As stated above, given that I am / we are required as per Section 143(12) of the Act to report on frauds, such reporting will be made in good faith and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the Act or of any rules or orders made thereunder.

I / We also wish to invite your attention to the fact that our audit process is subject to ‘peer review’ / ‘quality review’ under the Chartered Accountants Act, 1949. The reviewer(s) may inspect, examine or take abstract of my / our working papers during the course of the peer review/quality review.

I / We may involve specialists and staff from our affiliated network firms to perform certain specific audit procedures during the course of my / our audit.

In terms of Standard on Auditing (SA) 720 (Revised), “The Auditor’s Responsibilities Relating to Other Information” issued by the ICAI and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the Act, I / we request you to provide to me / us a Draft of the Annual Report containing the audited financial statements so as to enable me / us to read the same and communicate material inconsistencies, if any, with the audited financial statements, before issuing the auditor’s report on the financial statements.

*{Other relevant information}*

*{Insert Other information, such as fee arrangements, billings and other specific terms, as appropriate.}*

This letter should be read in conjunction with my / our letter dated \_\_\_\_\_ for the Audit of Internal Financial Controls Over Financial Reporting under the Act, in respect of which separate fees have been fixed/will be mutually agreed.

I / We look forward to full cooperation from your staff during my / our audit.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for my / our audit of the financial statements including our respective responsibilities.

Yours Faithfully,

(Signature)  
(Name of the person)  
(Designation)  
(Name of the firm)

Date:

Place:

Acknowledged on behalf of XYZ Company Pvt Ltd

Name and Designation:

Date:

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>1.2</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>ADT-1</b>	<b>Prepared</b>		<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>		<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>		<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

Form ADT 1 – Intimation to the Registrar by Company for appointment of auditor

Forms are available on the official website of Ministry of Corporate Affairs and may be downloaded from the below link:

<https://www.mca.gov.in/MinistryV2/companyformsdownload.html>

<b>Chapter</b>	<b>1.3</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Challan of ADT-1</b>	<b>Prepared</b>	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	T	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

Form ADT 1 – Challan

Forms are available on the official website of Ministry of Corporate Affairs and may be downloaded from the below link:

<https://www.mca.gov.in/MinistryV2/companyformsdownload.html>

After the payment, challan can be downloaded immediately from the website page that will generate the paid challan.



**Audit Working Paper Templates**

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<b>Chapter</b>	<b>1.4</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Engagement Acceptance/ Continuation Decision Checklist</b>	<b>Prepared</b>		<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>		<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>		<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Client/Engagement Acceptance Decision Checklist****XYZ Company Private limited– FY 2xx3**

<b>Risk Assessment Criteria</b>	<b>Response</b>
1. The reputation of the company and its management	
2. The effectiveness of its Board (Capabilities and track record of management)	
3. The background and experience of the client's financial reporting personnel	
4. Any incentives or inclinations for management to manipulate reported results	
5. Any significant transactions structured to achieve revenue recognition	
6. Any unusually aggressive or creative accounting (Any evidence of lack of integrity/ethics, poor control environment)	
7. Any transactions that are complex, unusual, or difficult to evaluate	
8. Any estimates that involve uncertainty or subjective judgments which cannot be addressed	
9. Any transactions with related parties that are not part of the consolidated group	
10. Any indications that the company might be in financial difficulty (Review financial condition, consider inherent risks for client and its industry)	

11. A lack of required expertise for the engagement team	
12. Are we independent and can we conduct the audit in accordance with ethical requirements	

Remarks (Assess Risk into High, Medium, Low):

**You may make an assessment, whether the category is High, Medium or Low based on above checklist**

Decision –

You may mention here that the assignment has been accepted or rejected based on your judgement

(Remarks for not accepting) –

If not accepting, please mention a brief reason of not accepting the assignment.

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>1.5</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Engagement Letter</b>	<b>Prepared</b>	<b>C</b>	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	<b>T</b>	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	<b>A</b>	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

Refer Chapter 1.1.

<b>Chapter</b>	<b>1.6</b>		Name	Initial
<b>Topic</b>	<b>Independence Confirmations</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Confirmation of Compliance with Ethical Requirements and Independence by partners / key staff members**

ABC & Associates LLP

Chartered Accountants

Attention: Mr. AA (Partner)

As mentioned in your communication to us, I, the undersigned, have noted that ABC & Associates LLP have been appointed to perform statutory audit of the financial statements of XYZ Company Pvt Ltd for the year ended March 31, 2xx3.

In this regard, I confirm that I am in compliance with the ethical requirements, including applicable independence rules with respect to XYZ Company Pvt Ltd and all of its related entities as follows:

1. I am independent in accordance with the independence requirements of ABC & Associates LLP, the Standards on Auditing in India and the Companies Act, 2013.
2. I am not aware of any past or existing professional services, business arrangements or alliances between me and the entities indicated on the attached listing that would impair independence.
3. I hereby confirm that-
  - i. None of my relative or myself is holding any security of or interest in XYZ Company Pvt Ltd and its related entities that would impair independence.
  - ii. None of my relative or myself is indebted to XYZ Company Pvt Ltd and its related entities, for an amount exceeding Rs. 5 lakh or has given any guarantee or security in connection with the indebtedness of any third person for any amount exceeding Rs. 1 lakh.
  - iii. None of my relative is a director or is in the employment of XYZ Company Pvt Ltd as director or as key managerial personnel.

---

**[Signature]**

Name – PP

Designation – Partner / Manager / Article

Date – January xx, 2xx3

<b>Chapter</b>	<b>1.7</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Confidentiality Undertakings</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**CONFIDENTIALITY UNDERTAKING**

I, Mr PP acknowledge, agree, and undertake that in consideration of my engagement as an audit team member on the audit of XYZ Company Pvt Ltd ('the client') for the year ended March 31, 2xx3:

- (a) At all times I will keep absolutely secret and confidential the confidential information and that I will not directly or indirectly disclose the confidential information to anyone within or outside the firm.
- (b) I will use the confidential information only for the audit purpose; and
- (c) These obligations will continue subsequent to closure of audit assignment.

Confidential information includes, but is not limited to, any document or information provided by the client team to me during the audit assignment.

---

**[Signature]**

By – PP

Designation – Article / Assistant manager / Manager

Date –January xx, 2xx3

## **Chapter 2: Planning**

- 2.1 Planning Scope of Engagement
- 2.2 Minutes of Planning Meeting
- 2.3 Team Mobilisation
- 2.4 Budgeting Time / Man Days
- 2.5 Audit Strategy
- 2.6 Note on Understanding Client (KYC) Business, Key People
- 2.7 Minutes of Kick off Meeting
- 2.8 Note on Materiality
- 2.9 Note on Basis of Materiality
- 2.10 Significant Risks and Planned Procedures
- 2.11 Fraud Risk
- 2.12 Testing Strategy
- 2.13 Preliminary Analytical
- 2.14 Variance Analysis
- 2.15 Significant Laws and Regulations
- 2.16 Work Allocation
- 2.17 Financial Statements
- 2.18 Control Charts
- 2.19 Initial Audit Checklist
- 2.20 Evidence of Communication of Initial Audit Checklist
- 2.21 Communication of Audit Schedule
- 2.22 Audit Requirement Communication – Schedule III and CARO



<b>Chapter</b>	<b>2.1</b>		Name	Initial
<b>Topic</b>	<b>Planning Scope of Engagement</b>	Prepared		C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed		T
<b>Task</b>	<b>Statutory Audit</b>	Approved		A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Case Study 1:**

Scope of Engagement	Engagement scope of statutory audit on the financial statements of XYZ Company Private Limited for the year ended March 31, 2xx3
Type of Entity	Listed/Unlisted
Type of Engagement	Statutory/Quarterly review
Applicable financial reporting framework, including applicable legislative and regulatory requirements	Financial reporting framework is Indian GAAP. Other key regulatory requirements includes provisions of 1. 2. 3.
Applicable auditing standards	
Industry specific requirements related to financial reporting	1.
	2.
	3.
Other terms of the engagement to be considered in the audit strategy	Applicable/Not Applicable

**Case Study 2:**

Scope of Engagement	Engagement scope of statutory audit on the financial statements of XYZ Company Private Limited for the year ended March 31, 2xx3
Applicable financial reporting framework, including applicable legislative and regulatory requirements	Financial reporting framework is Indian Accounting Standards (Ind AS) Other key regulatory requirements includes provisions of Companies Act, 2013
Industry specific requirements related to financial reporting	The company is in the business of xxxx. Hence no other specific requirements.
Key Focus areas	Following are key focus areas <i>(examples)</i> <ul style="list-style-type: none"> <li>• Revenue recognition</li> <li>• Purchases</li> </ul>



**Audit Working Paper Templates**

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	<ul style="list-style-type: none"><li>• Receivables</li><li>• Expected credit loss</li><li>• Accounts payables</li><li>• Advances received from vendors</li><li>• Borrowings</li><li>• Share capital</li><li>• Investments</li><li>• Legislative regulations</li><li>• Contingent liabilities</li><li>• Inventory</li><li>• Related party transactions</li><li>• Revised Schedule III disclosures</li><li>• CARO 2020 compliances</li></ul>
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<b>Chapter</b>	<b>2.2</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Minutes of Planning Meeting</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Case study 1**

This note summarizes the major points discussed in the meeting held at 11.00 AM at.....

**Present in the meeting.**

1. Ms. A (Engagement Partner)
2. Mr. B (Engagement Quality Control Reviewer)
3. Mr T (Manager)
4. Ms C (Team member -1)
5. Ms D (Team member – 2)

A initiated the discussion by introducing team members to the clients’ operations and the objective and scope of this assignment. She also explained briefly the probable misstatements on the basis of misstatements identified during the previous year relating to revenue, statutory compliances, related party transactions etc.

B mentioned to the team, the importance of professional skepticism and the need to maintain a questioning mind, setting aside any of our prior beliefs that management is honest and has integrity, at all times during the audit, particularly whenever circumstances indicating possible misstatements due to fraud or error are encountered and to be rigorous in following up on such indications.

T briefed everyone on the responsibilities of engagement team members which include maintaining an objective state of mind, and appropriate level of professional skepticism, performing work with the ethical principle of due care, and promptly communicating to the engagement partner any identified fraud risk indicators or possible illegal acts.

B explained that based on the meeting held with client, we shall apply our audit strategy decisions taking care of materiality and testing plan. He further explained to consider revenue as benchmark for materiality calculation.

C and D collectively discussed the planned audit procedures for key accounts. T explained that team needs to understand entity's accounting policies, including accounting procedures, address the application of the applicable financial reporting framework to the entity's facts and circumstances. Special emphasis needs to be given to audit documentation and procedures.

A discussed the budgeted man hours for the assignment and audit team mobilization with key responsibilities.

The meeting was concluded with the above discussion.

*Note: This memo attempts to capture the essence of the discussion in a summarized manner. Various other topics were discussed, however, only relevant has been recorded in the minutes.*

## **Case Study 2**

This note summarizes the major points discussed in the meeting held at 10.00 AM at.....

### **Present in the meeting:**

1. Ms. A (Engagement Partner)
2. Mr. B (Engagement Quality Control Reviewer)
3. Mr T (Manager)
4. Ms C (Team member -1)
5. Ms D (Team member – 2)
6. Ms E (Team member – 3)
7. Mr F (Technical expert)

### **Discussion**

#### **A. Preliminary discussion**

- Ms. A initiated the discussion and briefed the team regarding the second year of statutory audit of the Company.
- Being the second year of audit, the team has sufficient understanding regarding the organizational structure of the Company and the conduct of operations.
- Ms. A emphasized the importance of independence and confidentiality to the new team member and the existing team members as well.

#### **B. Discussion about the entity**

- Mr. T informed that the Company filed its draft red herring prospectus with SEBI during September 2xx2 and the approval is awaited for the same.
- He informed that based on the preliminary discussion with the Company's management, there has been no major change in the operating environment of the Company.
- He discussed about the various geographical locations apart from India in which the company's business operations are active, like Europe, Asia etc.
- He informed regarding the acquisition of a substantial wholly owned subsidiary by the Company during the year.
- He advised the team about appointment of the firm by board of directors for 5 years.
- Then he briefed the team about the company's book keeping software, scope of audit engagement, financial reporting framework and auditing standards to be followed.
- He also informed the team about the significant areas which will require more attention during the audit, by analysing the previous year's financial statements.
- Mr. T also told the team that work allocation will be made as the audit progresses and we receive some data from the client.

**C. Agenda for the next meeting**

- Ms. A suggested for having another round of session for discussion of key aspects related to assignment.
- For this purpose, she asked the manager to brief the team on previous year's significant matters.

**D. Closing note of the meeting**

- Ms. A informed the team that they will soon have a kick-off meeting with client for further discussions once some initial data from the client is received.
- She also told the team to be ready to work even on weekends.
- She informed the team that the assignment is quite confidential and each and every member should take care of independence and should not discuss any matter related to the assignment with any other person outside the team.
- Any observations and issues will be first discussed internally before communicating the same to the client.
- Ms. A advised the team that documents will be most probably arranged in a hard file rather than arranging them on the computers.
- Ms. A ended the meeting by motivating the team that they can learn a lot from this assignment which will help them in their professional growth.

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.3 and 2.4</b>		Name	Initial
<b>Topic</b>	<b>Team Mobilisation and Budgeting Time/ Man days</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used to capture responsibilities)*

**Case study 1:**

Following team was identified and mobilised for the assignment.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Responsibilities</b>
1	Ms A	Engagement Partner	a) Review of audit work papers and deliverables. b) Sign off on the deliverables. c) Liaison with the management d) Discussions with experts and finalising opinion
2	Mr B	Engagement Quality Control Reviewer	a) Review the planning. b) Review key work papers and opinion basis. c) Sign off as Engagement Quality Control Reviewer
3	Mr T	Manager	a) Conducting audit b) Supervision of team c) Review of deliverables d) Communication with client e) Review of audit work papers
4	Ms C	Audit Team	a) Execution of audit b) Preparation of audit work papers c) Physical verification of Inventory d) Maintaining audit file
5	Ms D	Audit Team	a) Execution of audit b) Preparation of audit work papers c) Maintaining audit file

*(Following draft may be used to plot man hours / man days)*

Following Time was budgeted for the assignment.

Name	Designation	Planning	Fieldwork	Review	Client Meeting	Finalising Draft	Sign off	Total
Ms A	Partner							
Mr T	Engagement Quality Control Reviewer							
Mr B	Manager							
Ms C	Audit Team							
Ms D	Audit Team							

### Case Study 2

*(Following draft may be used as an example – while the budgeted man hours will be dependent on various aspects)*

#### Background

The purpose of this working paper is to document the budgeted man hours of the team involved in the audit for FY 2xx3 including interim audit as well as final audit.

Man hours are planned keeping in mind the size and complexities of the business of the company, its branches, locations and requirements.

The planned man hours as listed in below table also include man hours for interaction with those charged with governance, reviews, discussions and preparing and reviewing audit work paper file.

#### The Detail

S. No	Team Members	Designation	Hours
1	A	Engagement Partner	
2	B	Engagement Quality Control Reviewer	
3	C	Engagement Manager	
4	D	Team Member	
5	E	Team Member	
6	F	Team Member	
7	G	Team Member	
8	H	Team Member	
9	I	Team Member	
	<b>Total</b>		

## Audit Working Paper Templates

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<b>Chapter</b>	<b>2.5</b>		Name	Initial
<b>Topic</b>	<b>Audit Strategy</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

### AUDIT STRATEGY

The process of establishing the overall audit strategy assists the auditor to determine, subject to the completion of the auditor's risk assessment procedures, such matters as:

- The resources to deploy for specific audit areas, such as the use of appropriately experienced team members for high risk areas or the involvement of experts on complex matters;
- The amount of resources to allocate to specific audit areas, such as the number of team members assigned to observe the inventory count at material locations, the extent of review of other auditors' work in the case of group audits, or the audit budget in hours to allocate to high risk areas;
- When these resources are to be deployed, such as whether at an interim audit stage or at key cut-off dates; and
- How such resources are managed, directed and supervised, such as when team briefing and debriefing meetings are expected to be held, how engagement partner and manager reviews are expected to take place (for example, on-site or off-site), and whether to complete engagement quality control reviews.
- Once the overall audit strategy has been established, an audit plan can be developed to address the various matters identified in the overall audit strategy, taking into account the need to achieve the audit objectives through the efficient use of the auditor's resources. The establishment of the overall audit strategy and the detailed audit plan are not necessarily discrete or sequential processes, but are closely inter-related since changes in one may result in consequential changes to the other.

### Additional Considerations in Initial Audit Engagements

The purpose and objective of planning the audit are the same whether the audit is an initial or recurring engagement. However, for an initial audit, the auditor may need to expand the planning activities because the auditor does not ordinarily have the previous experience with the entity that is considered when planning recurring engagements. For initial audits, additional matters the auditor may consider in establishing the overall audit strategy and audit plan include the following:

- Unless prohibited by law or regulation, arrangements to be made with the predecessor auditor, for example, to review the predecessor auditor's working paper.
- Any major issues (including the application of accounting principles or of auditing and reporting standards) discussed with management in connection with the initial selection as auditor, the communication of these matters to those charged with governance and how these matters affect the overall audit strategy and audit plan.
- The audit procedures necessary to obtain sufficient appropriate audit evidence regarding opening balances (see SA 510, "Initial Audit Engagements—Opening Balances").

- Other procedures required by the firm's system of quality control for initial audit engagements (for example, the firm's system of quality control may require the involvement of another partner or senior individual to review the overall audit strategy prior to commencing significant audit procedures or to review reports prior to their issuance).

### **Considerations in Establishing the Overall Audit Strategy**

The appendix to SA 300 provides examples of matters the auditor may consider in establishing the overall audit strategy. Many of these matters will also influence the auditor's detailed audit plan. The examples provided cover a broad range of matters applicable to many engagements. While some of the matters referred to below may be required by other SAs, not all matters are relevant to every audit engagement and the list is not necessarily complete.

#### Characteristics of the Engagement

- The financial reporting framework on which the financial information to be audited has been prepared, including any need for reconciliations to another financial reporting framework.
- Industry-specific reporting requirements such as reports mandated by industry regulators.
- The expected audit coverage, including the number and locations of components to be included.
- The nature of the control relationships between a parent and its components that determine how the group is to be consolidated.
- The extent to which components are audited by other auditors.
- The nature of the business segments to be audited, including the need for specialized knowledge.
- The reporting currency to be used, including any need for currency translation for the financial information audited.
- The need for a statutory audit of standalone financial statements in addition to an audit for consolidation purposes.
- The availability of the work of internal auditors and the extent of the auditor's potential reliance on such work, or internal auditors can be used to provide direct assistance.
- The entity's use of service organizations and how the auditor may obtain evidence concerning the design or operation of controls performed by them.
- The expected use of audit evidence obtained in previous audits, for example, audit evidence related to risk assessment procedures and tests of controls.
- The effect of information technology on the audit procedures, including the availability of data and the expected use of computer-assisted audit techniques.
- The coordination of the expected coverage and timing of the audit work with any reviews of the interim financial information and the effect on the audit of the information obtained during such reviews.
- The availability of client personnel and data.



**A. Timing of audit activities**

<b>Activity</b>	<b>Timing</b>
Audit Planning	July xx, 2xx3- July xx, 2xx3
Review by EQCR	July xx, 2xx3- July xx, 2xx3
Audit Field Work	July xx, 2xx3- September xx, 2xx3
Review by Manager	September xx, 2xx3
Review by Engagement Partner	September xx, 2xx3 - September xx, 2xx3
Review by EQCR	September xx, 2xx3 - September xx, 2xx3
Response on Audit Memo	September xx, 2xx3
Review by Partners – internally post response on audit memo	September xx, 2xx3
Review by EQCR	September xx, 2xx3
Finalization of Audit report and financials	September xx, 2xx3-September xx, 2xx3
Issue of audit report and financials	September xx, 2xx3

**B. Materiality** (Refer chapter 2.8 and chapter 2.9)**C. Testing Plan and Planned Audit Procedures** (Refer chapter 2.12)

Planning is not a discrete phase of an audit, but rather a continual and iterative process that often begins shortly after (or in connection with) the completion of the previous audit and continues until the completion of the current audit engagement. Planning, however, includes consideration of the timing of certain activities and audit procedures that need to be completed prior to the performance of further audit procedures. For example, planning includes the need to consider, prior to the auditor's identification and assessment of the risks of material misstatement, such matters as:

- The analytical procedures to be applied as risk assessment procedures.
- Obtaining a general understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework.
- The determination of materiality.
- The involvement of experts.
- The performance of other risk assessment procedures.

**D. Others**

<b>Particulars</b>	<b>Response</b>
Participation of other ABC office	Yes/No
Use of the work of the internal auditor	Yes/No
Use of the work of external expert	Yes/No
Use of service organisation by the entity	Yes/No

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.6</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Note on Understanding Client (KYC) Business, Key People</b>	<b>Prepared</b>	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	T	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Objective: - Understanding the entity**

To gain an understanding of the client and its industry sufficient to form our own point of view on the risks in the business that may have a significant effect on the financial statements, and/or on the audit.

--

**A. The entity’s business and its industry and environment**

--

<b>Legal and operating structure</b>	XYZ Company Private Limited (“the Company”) was incorporated on July xx, 20xx. It is a wholly owned subsidiary of xxxxxxxx
<b>Conduct of operations</b>	The registered office of the Company is situated at xxxxx. The Company is engaged in the business of xxxxxx. The Company has manufacturing plant if any.....
<b>Major Lenders</b>	Major Lenders: 1. 2.
<b>Major Customers</b>	Major Customers: 1. 2. 3. 4. 5.
<b>Related parties</b>	1. 2. 3.

**B. The entity’s accounting policies and practices**

Applicable financial reporting framework	
Accounting policies	

**C. Understanding on maintenance of books of account and financial reporting:**

The Ministry of Company Affairs (MCA) vide its notification dated March 24, 2021 and subsequent notification dated April 1, 2022, has made it mandatory for every company to fulfill the requirement of an audit trail feature in their accounting software from 1st April, 2023.

The objective of MCA for mandating the requirement of an audit trail feature in accounting software is to mitigate the chances of fraudulent transactions or manipulation in the books of account of the company and to bring in more transparency.

With the help of audit trail, an auditor can trace every step of, the financial data of a particular transaction right from the general ledger.

The accounting software used by companies will have to comply with the provisions of the Companies (Accounts) Rules, 2014.

Rule 3(1) of the Companies (Accounts) Rules, 2014 requires that from 1st April 2023, every Company which uses accounting software for maintaining its books of account, shall:

- a. Use only such accounting software which has a feature of recording audit trail of each and every transaction
- b. Creating an edit log of each change made in books of account along with the date when such changes were made
- c. Ensuring that the audit trail cannot be disabled

**D. The entity's past financial performance**

The Company's turnover for the year ended March 31, 2xx2, was INR xxxx million and Profit / (Loss) for the year ended March 31, 2xx2 was INR xxxx million.

**E. Other relevant details may be provided here**

<b>Chapter</b>	<b>2.7</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Minutes of Kick off Meeting</b>	<b>Prepared</b>	<b>C</b>	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	<b>T</b>	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	<b>A</b>	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

This note summarizes the major points discussed in the meeting held at XX:XX PM at our office situated at .....

**Present in the meeting:**

**From ABC:** Mr. T('Initial'); Ms C('Initial')

**From XYZ Company Pvt Ltd (XYZ):** Mr. SG ('SG'); and Mr. AL('AL').

Key deliberations are as under-

1. Mr T apprised the attendees with the key considerations during previous year audit and asked for the status on the same from the XYZ team.
2. Mr T apprised the attendees whether business risks relevant to financial reporting objectives have been identified and how they have been addressed.
3. Mr T apprised the attendees whether the absence of a documented risk assessment process is appropriate in the circumstances, or determine whether it represents a significant deficiency in internal control.
4. Mr T shall obtain an understanding of the information system, including the related business processes, relevant to financial reporting, including the following areas:
  - (a) The classes of transactions in the entity's operations that are significant to the financial statements;
  - (b) The procedures, within both information technology (IT) and manual systems, by which those transactions are initiated, recorded, processed, corrected as necessary, transferred to the general ledger and reported in the financial statements;
  - (c) The related accounting records, supporting information and specific accounts in the financial statements that are used to initiate, record, process and report transactions; this includes the correction of incorrect information and how information is transferred to the general ledger. The records may be in either manual or electronic form;
  - (d) How the information system captures events and conditions, other than transactions, that are significant to the financial statements;
  - (e) The financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures.
  - (f) Controls surrounding journal entries, including non-standard journal entries used to record non-recurring, unusual transactions or adjustments.

5. Mr T informed SG of the recent amendments/updates in Schedule III format and additional reporting requirements under CARO, 2020. SG agreed to prepare the financial statements as per the updated requirements.
6. Mr T enquired the timeline within which XYZ will provide the finalized trial balance and the requisite GL dumps. To this SG and AL submitted that they would provide the same by third week of June 2xx3.
7. Mr T enquired regarding the date of commencing the audit field work from SG, SG replied that they are planning to commence the IFC testing from the first week of June 2xx3 and other audit requirements would be shared from the first week of August 2xx3 and the audit team can visit the XYZ office premises starting August 2xx3.
8. Mr T enquired regarding the confirmations to be floated or already floated in respect of trade receivables, trade payables and related parties. To this, SG and AL informed the attendees that confirmations with respect to trade payables and related parties are yet to be floated and would be floated post sharing of the samples for the same while confirmations in respect of trade receivables and bank confirmations have already been floated. Mr T instructed Ms C to maintain and update the confirmation tracker accordingly and to share the list of samples in respect of trade payables at the earliest.
9. Mr T enquired from SG whether company has availed any loan facility from in or outside India. SG informed that the company has during the year availed loan facility amounting to INR XXXX million to meet the working capital requirements and to import machinery for the-----Plant. SG further informed that no charge has been created or guarantee from parent company has been given for the purpose of availing such facility.
10. Mr T enquired from SG whether company has put in any special fire mitigating plans in its plant to avoid the unfortunate fire incidents faced by the company in the past few years. SG informed that the company has planned to outsource their finished good warehouse to third party vendors since in the past fire incidents at such warehouses maintained by the company proved to be the initiating point of fire. SG further informed that water sprinkle and fire detection systems have been installed at the-----facility of the company.
11. Mr T enquired from SG the status of company's insurance claim in respect of fire incidents at the -- -----facility. SG informed that the company has received payments of approximately INR XXXX million in respect of ----- claim while the insurance claim in respect of ----- facility is under audit by the special auditor appointed by the insurance company.

**Note: This memo attempts to capture the essence of the discussion in a summarized manner. Various other topics were discussed, however, only relevant discussion has been minuted.**

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.8 and 2.9</b>		Name	Initial
<b>Topic</b>	<b>Note on Materiality and Basis of Materiality</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

(To add guidance to explain how the metrics have been determined to be relevant (Refer para A2 of SA 320) and identification of appropriate benchmark)

Note: There can be other relevant metrics as well, EBITDA/ Total expenses etc. Refer to Para A2 of SA 320 which talks about judgement in determining relevant metrics.

**Materiality (Planning)**

(Amount in Millions)							
S. No.	Particulars	Amount	% Consider-ed	Overall materi-ality	Planning materi-ality	% Consider-ed	Perfor-mance Materiality
1	On the basis of Revenue (net)						
2	On the basis of Assets (Property, Plant and Equipment)						
3	On the basis of Profit before Tax						
4	Clearly Trivial Threshold (Refer Note given below)						

**Note:** Centre for Audit Quality of ICAI has issued an excel “Utility for Determining Materiality”. Readers are advised to consider the Utility which is available on ICAI Website at below link:

<https://www.icai.org/post/special-purpose-directorate-centre-for-audit-quality>

<b>Materiality Considered:</b>	
On the basis of Revenue -	
Overall Materiality	
Planning Materiality	
Performance Materiality	

**Comparative trend attached separately at Annexure 1**

<b>Comparative Trend</b>					
<b>Particulars</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Total</b>	<b>Avg variance</b>
	<b>20xx-xx</b>	<b>20xx-xx</b>	<b>20xx-xx</b>		
Revenue from operations					
<b>Change</b>					
Profit/(Loss) Before Tax					
<b>Change</b>					
Property, Plant and Equipment					
<b>Change</b>					

<b>Percentage change in variance</b>			
<b>Particulars</b>	<b>20xx-xx</b>	<b>20xx-xx</b>	<b>20xx-xx</b>
<b>Revenue</b>			
Avg. variance in revenue			
% change			
<b>PBT</b>			
Avg. variance in PBT			
% change			
<b>PPE</b>			
Avg. variance in PPE			
% change			

**Conclusion:**

Based on the above trend, we found that revenue is consistent for past three years. Therefore, the same is taken as the base to compute materiality.

**Note on Basis of Materiality**

**Purpose:** To conclude on factors for determining materiality to be considered at the planning level.

**Factors Considered for determining materiality:** % of Revenue.

**Basis of factors for materiality:** We have considered following factors for planning percentage of factors for materiality:

<b>S. No.</b>	<b>Question</b>	<b>Rationale</b>
1	Whether the company listed on a stock exchange in India?	
2	What is the status of the company as per Ministry of Corporate Affairs?	



**Audit Working Paper Templates**

3	Does the Company have publicly traded debt arrangements?	
4	Are the operations of the company complex?	
5	Who are the stakeholders of the company?	The Company consists of the following stakeholders: <ul style="list-style-type: none"><li>•</li><li>•</li></ul>
6	Is the company regulated by any specific regulator in India?	

**Conclusion:**

Considering above mentioned factors and since operations of the company are relatively less complex, therefore, % of revenue as overall materiality for the engagement is reasonable.

<b>Chapter</b>	<b>2.10*</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Significant Risks and Planned Procedures</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

*\* The table given below is for illustrative purposes and the procedures given are not exhaustive.*

S.No.	Particulars	Assertions	Potential Risk	Planned Procedures
1	<b>Revenue</b>	<ul style="list-style-type: none"> <li>• Completeness</li> <li>• Cut-off</li> <li>• Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• Considering the pervasive impact, there is a risk that the revenue for the year is materially misstated.</li> </ul>	<ol style="list-style-type: none"> <li>1. Balance confirmation to be circulated for account receivables, to check completeness.</li> <li>2. Substantive testing to be performed. (Refer para 21 and A53 of SA 330)</li> <li>3. To reconcile sales from sales register.</li> <li>4. To reconcile the sales with statutory records.</li> <li>5. To perform analytical on year on year basis</li> <li>6. Sales analytical to be performed to have a track over any extraordinary transactions.</li> <li>7. Sales cut-off to be done.</li> </ol>
2	<b>Purchases</b>	<ul style="list-style-type: none"> <li>• Completeness</li> <li>• Cut-off</li> <li>• Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase is not recorded completely and accurately.</li> </ul>	<ol style="list-style-type: none"> <li>1. To circulate balance confirmation for account payables, for completeness.</li> <li>2. Substantive testing to be done on sample basis.</li> <li>3. Reconciliation of purchases from purchase register.</li> </ol>
3	<b>Inventory</b>	<ul style="list-style-type: none"> <li>• Existence</li> <li>• Valuation and allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Physical inventory does not exist, or physical quantity does not match with the actual quantity.</li> </ul>	<ol style="list-style-type: none"> <li>1. Physical verification of inventory.</li> <li>2. Checking valuation of inventory.</li> </ol>

**Audit Working Paper Templates**

4	<b>Cash and Cash Equivalents</b>	<ul style="list-style-type: none"> <li>• Existence</li> <li>• Accuracy</li> <li>• Completeness</li> </ul>	<ul style="list-style-type: none"> <li>• Considering the company has several bank accounts and there is substantial movement in fixed deposits during the year, there is a risk of significant misstatement.</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtain bank balance confirmation</li> <li>2. Reperformance of Bank Reconciliation Statement (BRS)</li> <li>3. To trace stale cheques</li> <li>4. To obtain cash certificate</li> <li>5. To obtain FD schedule and verify the same.</li> </ol>
5	<b>CWIP/PPE</b>	<ul style="list-style-type: none"> <li>• Existence</li> <li>• Valuation and Allocation</li> <li>• Classification</li> </ul>	<ul style="list-style-type: none"> <li>• Assets as per PPE register may not be physically identifiable.</li> <li>• PPE is not valued appropriately.</li> </ul>	<ol style="list-style-type: none"> <li>1. Substantive testing to be done on sample basis.</li> <li>2. To obtain physical verification report of property, plant and equipment and verify the same with PPE register.</li> <li>3. To obtain PPE register and reconciliation to be done with financials.</li> <li>4. To check whether depreciation of PPE is accounted properly by reperformance.</li> </ol>
6	<b>Trade receivables and payables</b>	<ul style="list-style-type: none"> <li>• Accuracy</li> <li>• Valuation and Allocation</li> </ul>	<ul style="list-style-type: none"> <li>• There is a risk that a portion of the stated carrying value of the trade receivables is unrecoverable.</li> </ul>	<ol style="list-style-type: none"> <li>1. Assessing recoverability by obtaining balance confirmation</li> <li>2. Review of ageing report and subsequent realisation and payment</li> <li>3. To obtain direct balance confirmation and in case of difference, reconciliation need to be verified.</li> </ol>
7	<b>Expenses</b>	<ul style="list-style-type: none"> <li>• Occurrence</li> <li>• Accuracy</li> <li>• Classification</li> </ul>	<ul style="list-style-type: none"> <li>• Wrong classification of capital expenditure as revenue expenditure.</li> </ul>	<ol style="list-style-type: none"> <li>1. Substantive testing to be done on sample basis</li> <li>2. To check the nature of classification of expenditure into revenue and capital.</li> </ol>
8	<b>AS/ Ind AS</b>	<ul style="list-style-type: none"> <li>• Disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance of</li> </ul>	<ol style="list-style-type: none"> <li>1. To Review the accounting and</li> </ol>

	<b>compliance</b>	<ul style="list-style-type: none"> <li>• Non-compliance of AS/ Ind AS</li> </ul>	<p>AS/ Ind AS</p> <ul style="list-style-type: none"> <li>• Classification of financial and non-financial instruments.</li> <li>• Componentization and others (If any)</li> </ul>	<p>classification of asset, liability, expenses, and income is in line with AS/ Ind AS.</p> <p>2. To verify disclosures are in compliance with AS/Ind AS or not.</p>
9	<b>ICFR Testing</b>	<ul style="list-style-type: none"> <li>• Control Testing</li> </ul>	<ul style="list-style-type: none"> <li>• Control deficiency</li> </ul>	<p>1. To perform walkthrough</p> <p>2. To perform ICFR testing</p>

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.11*</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Fraud Risk</b>		Prepared	C
<b>The client</b>	<b>XYZ Company Private Limited</b>		Reviewed	T
<b>Task</b>	<b>Statutory Audit</b>		Approved	A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

*\* The table given below is for illustrative purposes and the procedures given are not exhaustive*

**Fraud Risk planning:**

Consider the reliability of the information to be used as audit evidence and the controls over its preparation and maintenance where relevant. Refer para A23-A27 of SA 240, “The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements”. In addition to this, also refer para 44 of SA 240 relating to the auditor’s documentation of the responses to the assessed risks of material misstatement.

<b>S. No</b>	<b>Description</b>	<b>Audit Procedures</b>
<b>1</b>	<b>Revenue</b>	
	<p><b>Risk:</b> Risk of overstatement of revenue in the financial information to align with the forecast to meet the revenue/surplus target for entity</p>	Review the revenue recognition practice followed by the company. Also refer Para 29 and A36 of SA 240
		Procedures to be performed as per Ind AS 115/AS 9/AS 7.
		Sampling to be done on random basis from each category of revenue. Example- comparing revenue reported by month and by product line or business segment during the current reporting period with comparable prior periods. Computer-assisted audit techniques may be useful in identifying unusual or unexpected revenue relationships or transactions.
		To check whether revenue recognised as per the revenue recognition policy.
<b>2</b>	<b>Test Management override of controls:</b>	

		To examine the minutes of Board meetings etc. to ensure that there are no overbearing personalities in the Company with the power to conduct against the accounting policies.
		Journal Entry testing to be performed.

**Conclusions:**

The auditor’s documentation of the responses to the assessed risks of material misstatement shall include:

- (a) The overall responses to the assessed risks of material misstatement due to fraud at the financial statement level and the nature, timing and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level; and
- (b) The results of the audit procedures, including those designed to address the risk of management override of controls.

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.12*</b>	<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Testing Strategy-BS</b>	<b>Prepared</b>	<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>		

(Following draft may be used)

\* The table given below is for illustrative purposes and the procedures given are not exhaustive.

This workpaper is drafted based on the requirement of Standards on Auditing to develop testing strategy for material financial statements line items.

(Amount in INR Millions)														
S. No	Particulars	Account Balance*	Planning Materiality Level	Exceeding Materiality Level	Audit Procedure			Key Procedures	Assertions					Risk Identified
					Control testing	Substantive Testing			E	R	C	V&A	D	
						Analytical Procedures	Test of Details							
1	Property Plant and Equipment			Yes/No	Yes/No	Yes/No	Yes/No	PPE register checking to be performed, depreciation to be reperform-ed, performance of control testing, check physical verification report.	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	
2	Cash and cash equivalents			Yes/No	Yes/No	Yes/No	Yes/No	Checked BRS, Specified bank note transactions and obtained bank balance	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	

								confirmations. Refer SA 315 for significant and non significant account, para 29 & A202						
3	Inventory			Yes/No	Yes/No	Yes/No	Yes/No	Stock count to be done on an alternate date Inventory valuation to be checked. Cost v/s NRV testing to be done. Calculation of overhead cost allocation is to be checked.	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	
4	Trade Receivables			Yes/No	Yes/No	Yes/No	Yes/No	Balance confirmation to be floated, Analysis of ageing, subsequent collection checking, reconciliation and provisioning (ECL) thereof.	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	
5	Trade Payables			Yes/No	Yes/No	Yes/No	Yes/No	Balance confirmation to be floated, Analysis of ageing, subsequent payment checking.	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	



**Audit Working Paper Templates**

6	Borrowings			Yes /No	Yes/ No	Yes/ No	Yes / No	Checked the noting file for current situation, ledgers for movement and agreements made for the same.	Yes / No	Yes / No	Yes / No	Yes / No	Yes / No	
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E	Existence
C	Completeness
R	Rights and Obligations
V&A	Valuation and Accuracy
D	Disclosure

<b>Chapter</b>	2.12*		Name Initial
<b>Topic</b>	Testing Strategy-PL	Prepared	C
<b>The client</b>	XYZ Company Private Limited	Reviewed	T
<b>Task</b>	Statutory Audit	Approved	A
<b>Period</b>	for the year ended March 31, 2xx3		

(Following draft may be used)

\* The table given below is for illustrative purposes and the procedures given are not exhaustive.

(Amount in INR Millions)

S.No.	Particulars	Account Balance*	Planning Materiality Level	Exceeding Materiality Level	Audit Procedure			Key Procedures	Assertions				
					Control testing	Substantive Testing			O	C	CO	A	CL
						Analytical Procedures	Test of Details						
1	Revenue from Operations			Yes/ No	Yes/ No	Yes/ No	Yes/ No	Obtain Sales Register. Perform TOC and TOD on sales. Perform Analytical procedures to identify any major variations in sales.  Reconciliation to be done with statutory records	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No
2	Purchase of Stock in trade			Yes/ No	Yes/ No	Yes/ No	Yes/ No	Perform TOC and TOD, Verify the cost allocation	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No

**Audit Working Paper Templates**

								through bills of material (BOM).					
3	Employee Benefit			Yes/ No	Yes/ No	Yes/ No	Yes/ No	Verification of gratuity, leave encashment and other post employment benefits working with the company policy and the relevant applicable financial reporting framework.	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No
4	Other Expenses			Yes/ No	Yes/ No	Yes/ No	Yes/ No	Verification of major expenses and variance analysis	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No

<b>Legend</b>	<b>Assertions</b>
<b>O</b>	Occurrence
<b>C</b>	Completeness
<b>CO</b>	Cut-off
<b>A</b>	Accuracy
<b>CL</b>	Classification

<b>Chapter</b>	<b>2.13</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Preliminary Analytical</b>	Prepared		C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed		T
<b>Task</b>	<b>Statutory Audit</b>	Approved		A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**Preliminary Analytical**

**Objective:**

The objective of this document is to assess whether the overall review of financial statements at the end of the audit are consistent with our findings during the audit.

**Procedures Performed:**

- Obtained the financial statements for the year and previous year. Refer other analytical procedures as per para A13 of SA 315.
- Plotted the numbers of both the years for each caption of financial statements. (Statement of Profit & Loss and Balance Sheet).
- Computed the variances between both the years in terms of numbers and percentage.
- Noted down the reasons for such variances. When particularly complex or unusual issues/variances are involved, and the audit is performed by a sole practitioner, it may be desirable to consult with other suitably experienced auditors or the auditor’s professional body. Discussed the variances with the management and take appropriate action.

**Outcome:**

Refer attachment.

(In the attachment, financial statements/information provided by entity/any other information used for working and variances to be attached)

**Audit Working Paper Templates**

<b>Chapter</b>	<b>2.14*</b>		Name	Initial
<b>Topic</b>	<b>Variance Analysis-BS</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

(Following draft may be used)

\* The table given below is for illustrative purpose.

<b>Balance Sheet</b>	<b>Year ended March 31, 2xx3</b>	<b>Year ended March 31, 2xx2</b>	<b>Vari- ance</b>	<b>% Varianc e</b>	<b>Reason s for Varianc es</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Property, plant, and equipment</b>				xx.xx%	
<b>Capital work-in-progress</b>				xx.xx%	
<b>Financial assets</b>					
i. <b>Loans</b> - Security Deposit (Non-Current)				x.xx%	
ii. <b>Other financial assets</b> –				x.xx%	
a. Fixed deposits with banks with maturity period for more than 12 months					
b. Insurance claim receivable				xx.xx%	
iii. <b>Government grants</b>				-	
<b>Current tax assets (net)</b>				-	
Advance Tax/Tax Deducted at Source Receivable			-	xx.xx%	
<b>Other non-current assets</b>				-	
Prepaid expenses	-			xx.xx%	
Capital advances	-			xx.xx%	
<b>Current assets:</b>					
<b>Inventories</b>					
Raw Materials and Packing Materials				xx.xx%	
Stores and Spares				xx.xx%	
Finished Goods - Repacking (SIT)				xx.xx%	

Finished Goods - Manufactured				xx.xx%	
Work in Progress				xx.xx%	
<b>Financial assets</b>					
i. Trade receivables				xx.xx%	
ii. Cash and cash equivalents			-	-	
Balance with banks				xx.xx%	
Cash on hand				xx.xx%	
iii. <b>Loans</b> - Security Deposit (Current)				xx.xx%	
<b>Other current assets</b>					
- Prepaid expenses				xx.xx%	
- Balance with government authorities				xx.xx%	
- Imprest advances				xx.xx%	
- Advance to suppliers for goods and services				xx.xx%	
- Tax receivable from exports				x.xx%	
<b>TOTAL ASSETS</b>					
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Equity share capital</b>			-	-	
<b>Other Equity</b>				xx.xx%	
<b>Non-current liabilities</b>					
i. Borrowings			-	-	
<b>ii. Other financial liabilities - non-Current</b>					
Lease Liability				xxx.xx%	
Interest accrued but not due on borrowings	-			xxx.xx%	
Security deposits				xxx.xx%	
<b>Provisions - Non-Current</b>					
- Provision for gratuity				xx.xx%	
- Provision for Compensated absences				xx.xx%	
- Provision for decommissioning				x.xx%	
<b>Other liabilities</b>					
Deferred grant				xx.xx%	
<b>Current liabilities</b>			-	-	
<b>Financial liabilities</b>					
<b>i. Borrowings - Loans from Local Banks</b>				xx.xx%	

**Audit Working Paper Templates**

<b>ii. Trade payables</b>				xx.xx%	
<b>iii. Other financial liabilities</b>					
- Dues to Related Party-Current maturities of long-term debt			-	-	
Interest accrued but not due on borrowings				xx.xx%	
- Employee benefits payable				xx.xx%	
Accounts Payable					
Other Assets Overseas		-			
- Capital creditors	-			xxx.xx%	
- Capital creditors related parties				xx.xx%	
- Derivative Liability (MTM Loss)				xx.xx%	
- Lease Liability				xx.xx%	
<b>Provisions</b>					
- Provision for gratuity				xx.xx%	
- Provision for compensated absences				xx.xx%	
- Provision for expenses				xx.xx%	
<b>Other liabilities</b>					
- Statutory dues payable				xx.xx%	
- Advance from customers				xx.xx%	
- Accrued expenses				xx.xx%	
<b>TOTAL LIABILITIES</b>					
Difference					

<b>Chapter</b>	2.14*		Name	Initial
<b>Topic</b>	Variance Analysis-PL	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

(Following draft may be used)

\* The table given below is for illustrative purpose.

Statement of Profit & Loss	Year ended March 31, 2xx3	Year ended March 31, 2xx2	Variance	% Variance	Reasons for Variances
<b>Income</b>					
<b>Revenue from operations:</b>					
Sale of products (including excise duty)*				xx.xx%	
Other operating revenue (e.g. Scrap Sales)				xx.xx%	
<b>Other income</b>					
<b>Interest income</b>					
- from financial assets at amortised cost				xx.xx%	
- On Income Tax Refund				xxx.xx%	
Gain on foreign exchange fluctuation (Net)				xx.xx%	
Income from Government grants				xx.xx%	
Miscellaneous income				xx.xx%	
Gain on derivatives				-	
Allowances for Expected Credit Loss - written back				xx.xx%	
<b>Total Income</b>				xx.xx%	
<b>Expenses:</b>					
<b>Cost of materials Consumed</b>				xx.xx%	
Opening Stock				x.xx%	
Purchases during the year				xx.xx%	
Less: - Inventory destroyed due to Fire	-			xx.xx%	



**Audit Working Paper Templates**

Less: Closing Stock				xx.xx%	
<b>Purchase of stock-in-trade</b>					
- Traded Goods				xx.xx%	
Finished Goods - Re-packed Goods				xx.xx%	
<b>Changes in inventories of work-in-progress, stock-in-trade and finished goods</b>				<b>xxx.xx%</b>	
Stock at the end of the year				xx.xx%	
- Finished Goods				xx.xx%	
- Stock-in-Trade (Merchandise)				xx.xx%	
- Work-In-Progress				xx.xx%	
Less: Stock at the beginning of the year				xx.xx%	
- Finished Goods				xx.xx%	
- Stock-in-Trade				xx.xx%	
- Work-In-Progress				xx.xx%	
<b>Employee benefit expenses</b>				xx.xx%	
Salaries, wages and bonus				xx.xx%	
Contract, Manpower and Contribution to provident and other funds				xx.xx%	
Gratuity expenses				xxx.xx%	
Staff welfare expenses				xx.xx%	
<b>Depreciation and amortisation expense</b>				x.xx%	
Depreciation of property, plant, and equipment				xx.xx%	
Amortization of leasehold land				xx.xx%	
Depreciation of ROU Asset				xx.xx%	
<b>Finance costs</b>				xx.xx%	
Interest expense on				xx.xx%	
- Unwinding of discount on decommissioning provision				xx.xx%	
- ROU Asset				xx.xx%	
- Interest on External Commercial Borrowing Loan				xx.xx%	
- MSMED				xx.xx%	
- local borrowings					

Exchange Differences arising from foreign currency borrowings, to the extent that they are regard as an adjustment to Interest Cost				xx.xx%	
<b>Other expenses</b>				xx.xx%	
Spares and Stores Consumed				xx.xx%	
Repairs Machinery				xx.xx%	
Repair-Others				xx.xx%	
Royalty				xx.xx%	
Power and Fuel				xx.xx%	
Rent				xx.xx%	
Rates and Taxes				xx.xx%	
Printing and Stationery				xx.xx%	
Communication				xx.xx%	
Travelling and Conveyance				xx.xx%	
Legal and Professional				xx.xx%	
Auditor's Remuneration (excluding taxes)				xx.xx%	
- Audit fees				xx.xx%	
- Tax audit fees				xx.xx%	
- Reimbursement of expenses				xx.xx%	
- Other Services				xx.xx%	
Training and Conference				xx.xx%	
Insurance				xx.xx%	
Foreign exchange loss				xx.xx%	
Recruitment charges				xx.xx%	
Advertisement				xx.xx%	
Commission and Brokerage				xx.xx%	
Vehicle running and maintenance				xx.xx%	
Business promotion expenses				xx.xx%	
Selling and Distribution Expenses				xx.xx%	
Freight				xx.xx%	
Allowances for Expected Credit Loss				xx.xx%	
Custom Duty (EPCG)				xx.xx%	
Loss on sale of PPE				xx.xx%	

**Audit Working Paper Templates**

Loss on Derivative				xx.xx%	
Miscellaneous Expenses				xx.xx%	
<b>Total Expenses</b>				xx.xx%	
<b>Profit/(Loss) before exceptional items and tax</b>				xx.xx%	
<b>Exceptional Items</b>				xx.xx%	
<b>Profit/(Loss) for the year (A)</b>				xx.xx%	
<b>Other comprehensive income for the year, net of tax (B)</b>					
<b>Total comprehensive income for the year (A+B)</b>				xx.xx%	

(\*) Excise Duty shall form part of expenses as per the provisions of Ind AS and shall be netted off from the sale price (turnover) as per the provisions of Accounting Standards (AS).

<b>Chapter</b>	<b>2.15</b>		Name	Initial
<b>Topic</b>	<b>Significant Laws and Regulations</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

**List of significant Laws and Regulations**

- The following are the significant laws and regulations that are applicable to the company:
- Companies Act, 2013
- Central Goods and Service Tax, 2017
- State Goods and Service Tax, 2017
- Integrated Goods and Service Tax, 2017
- Foreign Exchange Management Act, 1999
- Income Tax Act, 1961
- Customs Act, 1962
- Provision for Gratuity Act, 1972
- The Employees Provident Fund & Miscellaneous Provision Act, 1952

(Other Laws and Regulations to be mentioned)

**Audit Working Paper Templates**


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<b>Chapter</b>	<b>2.16*</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Work Allocation</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used)*

*\* The table given below is for illustrative purpose.*

**Work Allocation Chart**

	<b>Work Allocation</b>	
	<b>Done by</b>	<b>Review by</b>
<b>Planning</b>	Ms.C	Mr.T
<b>Completion</b>	Ms D	Mr.T
<b>Execution</b>	Ms C and Ms D	Mr T
<b>ASSETS</b>	Ms.C	Mr.T
Non-current assets	Ms D	Mr.T
Property, plant and equipment	Ms.C	Mr.T
Capital work-in-progress	Ms D	Mr.T
Financial assets	Ms.C	Mr.T
i. Loans - Security Deposit (Non-Current)	Ms D	Mr.T
ii. Other financial assets - Fixed deposits with banks with maturity period for more than 12 months	Ms.C	Mr.T
iii. Government grants	Ms D	Mr.T
Current tax assets (net)	Ms.C	Mr.T
Advance Tax/Tax Deducted at Source Receivable	Ms D	Mr.T
Other non-current assets	Ms.C	Mr.T
Prepaid expenses	Ms D	Mr.T
Current assets	Ms.C	Mr.T
Inventories	Ms D	Mr.T
Raw Materials and Packing Materials	Ms.C	Mr.T
Stores and Spares	Ms D	Mr.T
Finished Goods - Repacking (SIT)	Ms.C	Mr.T

Finished Goods - Manufactured	Ms D	Mr.T
Work in Progress	Ms.C	Mr.T
Financial assets	Ms D	Mr.T
i. Trade receivables	Ms.C	Mr.T
ii. Cash and cash equivalents	Ms D	Mr.T
Balance with banks	Ms.C	Mr.T
Cash on hand		
iii. Loans - Security Deposit (Current)		
Other current assets		
- Prepaid expenses	Ms D	Mr.T
- Balance with government authorities	Ms.C	Mr.T
- Imprest advances	Ms D	Mr.T
- Advance to suppliers for goods and services	Ms.C	Mr.T
- Tax receivable from exports	Ms D	Mr.T
<b>TOTAL ASSETS</b>	Ms.C	Mr.T
<b>EQUITY AND LIABILITIES</b>	Ms D	Mr.T
Equity	Ms.C	Mr.T
Equity share capital	Ms D	Mr.T
Other Equity		
Non-current liabilities		
Financial liabilities		
i. Borrowings		
ii. Other financial liabilities		
iii. Other financial liabilities ' - Lease Liability		
Provisions		
- Provision for gratuity		
- Provision for decommissioning		
Other liabilities		
Deferred grant		
Current liabilities		
Financial liabilities		
i. Borrowings		

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Loans from Local Banks		
i. Trade payables		
ii. Other financial liabilities		
- Dues to Related Party-Current maturities of long-term debt	Ms D	Mr.T
- Dues to Related Party-Interest accrued but not due on borrowings	Ms.C	Mr.T
- Employee benefits payable	Ms D	Mr.T
- Capital creditors	Ms.C	Mr.T
- Capital creditors related parties	Ms D	Mr.T
- Derivative Liability (MTM Loss)	Ms.C	Mr.T
- Security deposits		
- Lease Liability		
Provisions		
- Provision for gratuity		
- Provision for compensated absences		
- Provision for Expenses		
Other liabilities		
- Statutory dues payable		
- Advance from customers	Ms D	Mr.T
- Accrued Expenses	Ms.C	Mr.T
<b>TOTAL LIABILITIES</b>	Ms D	Mr.T
<b>Income</b>		
Revenue from operations		
Sale of products (including excise duty)		
Other Operating Revenue-Scrap Sales		
Other income		
Interest income		
- from financial assets at amortised cost		
- On Income Tax Refund		
Gain on foreign exchange fluctuation (Net)		
Government grant income-Export promotion capital goods		
Miscellaneous income		

Gain on derivatives		
Total Income		
<b>Expenses</b>		
Cost of materials Consumed		
Opening Stock		
Purchases during the year		
Less: Inventory destroyed due to Fire		
Less: Closing Stock		
Purchase of stock-in-trade		
- Traded Goods		
Finished Goods - Re-packed Goods		
Changes in inventories of work-in-progress, stock-in-trade and finished goods		
Stock at the end of the year		
- Finished Goods		
- Stock-in-Trade (Merchandise)		
- Work-In-Progress		
Less: Stock at the beginning of the year		
- Finished Goods		
- Stock-in-Trade		
- Work-In-Progress		
Employee benefit expenses		
Salaries, wages and bonus		
Contract, Manpower and Contribution to provident and other funds		
Gratuity expenses		
Staff welfare expenses		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment		
Amortization of leasehold land		
Depreciation of ROU Asset		
Finance costs		
Interest expense on		



**Audit Working Paper Templates**

- Unwinding of discount on decommissioning provision		
- ROU Asset		
- Interest on External Commercial Borrowing Loan		
- MSMED		
- local borrowings		
Exchange Differences arising from foreign currency borrowings, to the extent that they are regard as an adjustment to Interest Cost		
Other expenses		
Spares and Stores Consumed	Ms D	Mr.T
Repairs	Ms.C	Mr.T
- Plant and Machinery	Ms D	Mr.T
- Others	Ms.C	Mr.T
Royalty	Ms D	Mr.T
Power and Fuel	Ms.C	Mr.T
Rent	Ms D	Mr.T
Rates and Taxes	Ms.C	Mr.T
Printing and Stationery	Ms D	Mr.T
Communication	Ms.C	Mr.T
Travelling and Conveyance	Ms D	Mr.T
Legal and Professional	Ms.C	Mr.T
Auditor's Remuneration (excluding taxes)	Ms D	Mr.T
- Audit fees	Ms.C	Mr.T
- Tax audit fees		
- Reimbursement of expenses		
- Other Services		
Training and Conference		
Insurance		
Foreign exchange loss		
Recruitment charges		
Advertisement		

Commission and Brokerage		
Vehicle running and maintenance		
Business promotion expenses		
Selling and Distribution Expenses	Ms.D	Mr.T
Freight	Ms.C	Mr.T
Provision for Doubtful Debts	Ms.D	Mr.T
Loss by Fire	Ms.C	Mr.T
Miscellaneous Expenses	Ms.D	Mr.T
Total Expenses	Ms.C	Mr.T
Profit/(Loss) before exceptional items and tax		
Exceptional Items		
Profit/(Loss) for the year (A)		
Other comprehensive income for the year, net of tax (B)		
Total comprehensive income for the year (A+B)		

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>2.17</b>		Name	Initial
<b>Topic</b>	<b>Financial Statements</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Though the formats defined in the Companies Act, 2013 provide comprehensive drafts, and those should be implemented, following drafts have been provided for example purpose)*

**XYZ Company Private Limited  
Balance Sheet as at March 31,  
2xx3**

**(Figures in Indian Rupees  
million unless otherwise stated)**

<b>Particulars</b>	<b>Notes</b>	<b>As at March 31, 2xx3</b>	<b>As at March 31, 2xx2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	-	-
Reserves and Surplus	4	-	-
		<hr/>	<hr/>
		-	-
Share Application Money Pending allotment		-	-
<b>Non-current Liabilities</b>			
Long-term borrowings	5	-	-
Deferred Tax Liabilities (Net)	6	-	-
Other Long term liabilities	7	-	-
Long-term provisions	8	-	-
		<hr/>	<hr/>
		-	-
<b>Current Liabilities</b>			



**Audit Working Paper Templates**

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Other Current Assets	15	-	-
		-	-
<b>TOTAL</b>		-	-

Corporate Information and Summary of Significant accounting policies	1&2
Other Notes	28-41

The accompanying notes are an integral part of the financial statements

In terms of our report of even date  
**For ABC& Associates LLP**  
 Chartered Accountants  
 Firm Registration No.

For and on behalf of the Board of Directors of  
**XYZ Company Private Limited**  
 CIN :

**ABC**  
 Partner  
 Membership No.:

**DEF**  
 Director  
 DIN :

**GHI**  
 Director  
 DIN :

Place :  
 Date :

Place:  
 Date :

Place:  
 Date :

**XYZ Company Private  
Limited**  
**Statement of Profit and Loss for the  
year ended March 31, 2xx3**

(Figures in Indian Rupees million  
unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2xx3	Year Ended March 31, 2xx2
<b>Income</b>			
Revenue from Operations	19	-	-
Other Income	20	-	-
<b>Total Income (I)</b>		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Cost of Materials consumed	21	-	-
Purchase of Stock-in- trade	22	-	-
Changes in Inventories of finished goods, work in progress and stock in trade	23	-	-
Finance cost	24	-	-
Employee benefits expenses	25	-	-
Depreciation and Amortization expense	12	-	-
Other Expenses	26	-	-
<b>Total Expenses (II)</b>		<u>-</u>	<u>-</u>
<b>Profit before tax (I- II)</b>		-	-
<b>Tax expenses</b>			
- Current tax			-

**Audit Working Paper Templates**

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- Tax relating to earlier years		-	-
- Deferred Tax charge / (Credit)	0	-	-
		-	-
<b>Profit /(Loss) for the year</b>		-	-

**Earnings (Loss) per equity Share:** 27  
 Basic  
 Diluted

Corporate Information and Summary of Significant accounting policies 1&2  
 Other Notes 28-41

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date  
**For ABC & Associates LLP**  
 Chartered Accountants  
 Firm Registration No.

For and on behalf of the Board of Directors of  
**XYZ Company Private Limited**  
 CIN :

**XYZ**  
 Partner  
 Membership No.:

**DE**  
 Director  
 DIN:

**GHI**  
 Director  
 DIN :

Place :  
 Date :

Place:  
 Date :

Place:  
 Date :

<b>Chapter</b>	2.18*		Name	Initial
<b>Topic</b>	Control Chart-BS	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

(Following draft may be used)

\* The table given below is for illustrative purpose and the procedures given are not exhaustive.

Balance Sheet	Year ended March 31, 2XX3	Year ended March 31, 2XX2	Variance	% Variance	Reasons for Variances	Planned Procedure	Work Done / Procedure Performed	Pending Information/ Documents	Status
<b>ASSETS</b>									
<b>Non-current assets</b>									
<b>Property, plant, and equipment</b>						1. Obtain PPE register 2. Depreciation reperformance 3. Additions and Disposals Substantive Testing	1. Obtained PPE register and verified the following: <ul style="list-style-type: none"> <li>- Useful life, residual value and the rate of depreciation charged is as per the provisions of Schedule II of Companies Act.</li> <li>- Duplicacy of Assets through asset code testing.</li> </ul> 2. Reperformed the Depreciation to check the accuracy of Depreciation charged. 3. Performed substantive testing of the assets added and		Open/ Closed



**Audit Working Paper Templates**

						<p>sold during the year.</p> <p>4. Obtained details of the assets destroyed by natural calamities and other events and verified that the accuracy of the written down value (WDV) of the assets decapitalized.</p> <p>5. Obtained working in respect of ROU Assets in accordance with Ind AS 116 and verified that the valuation of the same is accurate.</p> <p>6. Obtained evidence whether the title deed of the immovable property is held on the name of the Company and checked the disclosure in case the immovable property is held on Joint Names.</p> <p>7. Checked for revaluation of PPE during the year and ask for registered valuer report.</p>		
<b>Capital work-in-progress</b>					<p>1. Verify CWIP Movement</p> <p>2. Obtain CWIP Capitalisation certificates</p>	<p>1. Obtained CWIP movement sheet and verified the CWIP ageing.</p> <p>2. Obtained Installation / Completion certificates for the CWIP that have been capitalised during the year.</p> <p>3. Obtained status report of the major projects/assets held as</p>		

							<p>CWIP as at March 31, 20xx.</p> <p>4. Checked for the disclosure of CWIP ageing schedule for the projects that has being in progress or temporarily suspended.</p> <p>5. Checked for the CWIP completion plan for the projects whose completion is overdue or has exceeded its cost compared to its original plan.</p>		
<b>Financial assets</b>									
i. Loans - Security Deposit (Non Current)						<p>1. Obtain Schedule and relevant supporting documents like agreements etc.</p> <p>2. Ind AS 109 working w.r.t Security Deposits</p>	<p>1. Obtained Schedule of security deposits.</p> <p>2. Verified the additions and deletions on sample basis</p> <p>3. Checked classification on the basis of agreements</p> <p>Checked Ind AS 109 compliances.</p> <p>4. Checked for adequacy of allowance for doubtful deposit on inactive security deposits.</p>		Open/ Closed
ii. Other financial assets - a. Fixed deposits with banks with maturity period for						<p>1. Verify FD movement Chart along with interest working</p> <p>2. Obtain and verify FD copies and bank confirmations.</p>	<p>1. Verified FD movement Chart along with interest working</p> <p>2. Obtained and verified FD copies and bank confirmations.</p>		

**Audit Working Paper Templates**

more than 12 months									
b. Insurance claim receivable						1. Obtain list of insurance claim pending for settlement along with the ageing and check for the allowance for doubtful claim, if any.	1. Obtained list of insurance claim pending for settlement along with the ageing and check for the allowance for doubtful claim.		
<b>iii. Government Grants</b>				-		1. Obtain Schedule for Grant and 2. Obtain relevant supporting documents like EPCG licenses etc.	1. Obtained list of Government Grants received by the entity. 2. Obtained the acknowledgement letters received from the Government confirming the existence of such grants.		
<b>Current tax assets (net)</b>			-	-					
Advance Tax/Tax Deducted at Source Receivable						1. Obtain Form 26AS and reconciliation of the same with books 2. Refund to be map from refund order/ tax portal and reconciled with books	1. Reconciled the same with books 2. Refund mapped from refund order/ tax portal and reconciled the same with books		
<b>Other non-current assets</b>			-	-					
Prepaid expenses	-					1. Verify and obtain Prepaid Expenses Schedule along with relevant supporting documents.	1. Verified and obtained Prepaid Expenses Schedule. 2. Verified the bifurcation of prepaid expenses in Current and Non-Current		

						Assets.		
Capital advances	-					1. Obtain the list of Capital Advances given during the year. 2. Obtain and verify the agreements to check the payments made according to the agreements.	1. Obtained the list of Capital Advances given during the year. 2. Obtained and verified the agreements to check the payments made according to the agreements. 3. Obtained Invoices in respect of the advances to check the ageing.	
<b>Current assets:</b>								
<b>Inventories</b>								
Raw Materials and Packing Materials						1. Check Valuation as per Weighted Average along with impact of Overhead Allocation. 2. Cost Vs NRV Testing 3. Physical verification and verify if Impact of differences after physical verification taken, 4. Confirmation from inventory held at 3rd party 5. Obtain Inventory Ageing 6. Obtain Schedule of stores, spares and	1. Weighted Average testing verified 2. Cost Vs NRV tested. 3. Physical verification of inventory done. 4. Confirmations taken from inventory held at 3rd party. 5. Obtained Inventory Ageing 6. Obtained Schedule of stores, spares and consumables.	
Stores and Spares								
Finished Goods - Repacking (SIT)								
Finished Goods – Manufactured								
Work in Progress								

**Audit Working Paper Templates**

						consumables.			
<b>Financial assets</b>									
i. Trade receivables						<ol style="list-style-type: none"> <li>1. Obtain Ageing</li> <li>2. Float Balance Confirmation</li> <li>3. Obtain reconciliation in case of differences</li> <li>4. Obtain subsequent bank statements and check subsequent clearances</li> </ol>	<ol style="list-style-type: none"> <li>1. Floated balance confirmation to xx customers on sample basis.</li> <li>2. Obtained Balance confirmation from for e.g. xx customers.</li> <li>3. Obtained details of subsequent payments received from customers and mapped the same with the Bank statements of subsequent months.</li> <li>4. Obtained reconciliation for the customers confirming difference in balances.</li> <li>5. Obtained list of open invoices in respect of customers and verified the ageing of Invoices from the bucketed balances.</li> </ol>		
ii. Cash and cash equivalents			-	-					
Balance with banks						<ol style="list-style-type: none"> <li>1. Direct Bank Confirmation to be received</li> <li>2. Verify BRS</li> <li>3. Obtain Bank Statements</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained list of Bank accounts of the company.</li> <li>2. Obtained Bank Statements of the same for the year.</li> <li>3. Compared Balances as per books with balances as per Bank</li> </ol>		

						Statements. 4. Obtained Bank Reconciliation Statement of the Bank Accounts and checked for open items and its subsequent clearances. 5. Floated the direct balance confirmations to the banks and received the confirmations for the same.		
Cash on hand					Obtain cash balance confirmation	Obtained Cash Certificate for the balance of Cash as at March 31, 2xx3. Physically verified the cash as on reporting date.		
iii. Loans - Security Deposit (Current)	-				Obtain Schedule and relevant supporting documents	Obtained Schedule of security deposits. Verified the additions and deletions on sample basis Checked classification on the basis of agreements. Checked for the allowances for doubtful deposit on inactive deposits. Obtained balance confirmation from few sample cases.		
<b>Other current assets</b>								
- Prepaid expenses					Verify and obtain Prepaid Expenses Schedule along with supporting	1. Verified and obtained Prepaid Expenses Schedule. 2. Verified the additions made		

**Audit Working Paper Templates**

						documents.	during the year on sample basis. 3. Verified the agreements for the samples obtained.		
- Balance with government authorities						<p><b>GST Input –</b> 1. Reconcile GST 2. Pass knock Off Entry in respect to input to settle off output liability.</p> <p><b>Advance Custom Duty -</b> Obtain challan for the advance custom duty paid and map the same with the purchase register.</p> <p><b>Extra Duty Deposit (EDD) Recoverable -</b> Verify the same from the amount reflecting on the customs portal and map the same with the purchases.</p> <p><b>VAT Receivable-</b> Check status of VAT receivable as on balance sheet date.</p>	<p><b>GST Input –</b> 1. Reconcile GST with returns and obtain reasons for differences 2. Verified GST refunds received during the year. 3. Pass knock Off Entry in respect to input to settle off output liability.</p> <p><b>Advance Custom Duty -</b> Obtain challan for the advance custom duty paid and map the same with the purchase register.</p> <p><b>EDD Recoverable -</b> Working of EDD recoverable received.</p>		
- Imprest advances						1. Obtain list of employees to whom Imprest advances have been given and perform ledger scrutiny to identify any	1. Obtained the schedule of additions made to Imprest Advances during the year. 2. Obtained the policy for Imprest Advances so as to		

						discrepancies. 2. Obtain balance confirmation from the employees on sample basis.	verify the reason of existence of Opening Balance as on date. 3. Obtained balance confirmation from few employees and verify the same with the books		
- Advance to suppliers for goods and services						Obtain list of Advance to supplier along with ageing. Check for allowance for Doubtful advances	Obtained list of Advance to supplier along with ageing and check for allowance for doubtful advance, if any on aged advances.		
- Tax receivable from exports						Obtain details in respect of the same along with the relevant supporting thereof.	Obtained details in respect of the same along with the relevant supporting thereof.		
<b>TOTAL ASSETS</b>									
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
<b>Equity share capital</b>			-	-		1. Check authorised and issued capital from MCA data. 2. Obtain list of Shareholders 3. Obtain confirmation 4. Trace the movement in Equity during the year. 5. Obtain documents in respect of ECB	1. Check authorised and issued capital from MCA data. 2. Obtain list of Shareholders 3. Obtain confirmation from shareholders 4. Trace the movement in Equity during the year. 5. Obtain documents in respect of ECB conversion into Equity.		



**Audit Working Paper Templates**

						<p>conversion into Equity.</p> <p>6. Obtain documents in respect of capital introduced during the year.</p> <p>7. Obtain list of shares held by the promoters</p>	<p>6. Obtain documents in respect of capital introduced during the year.</p> <p>7. Checked statutory forms in respect of capital introduced during the year.</p> <p>8. Obtained list of shares held by promoters and also checked the disclosure requirement.</p>		
<b>Other Equity</b>									
<b>Non-current liabilities</b>									
						<p>1. Obtain details of outstanding borrowings as at year end.</p> <p>2. Obtain loan agreements in respect of the outstanding borrowings.</p> <p>3. Obtain confirmation in respect of the amount outstanding as on March 31, 20xx.</p> <p>4. Obtain loan repayment schedule and map the same with the bank statement.</p> <p>5. Obtain schedule for interest accrued on borrowings.</p>	<p>1. Obtained and verified the sanction letters and loan agreements for all the loans taken during the year.</p> <p>2. Obtained balance confirmations from the banks to verify the outstanding balance of Borrowings as on March 31, 20xx.</p> <p>3. Obtained repayment schedule for the Borrowings.</p> <p>4. The amount for the loans disbursed and repaid during the year have been verified from the bank statements and disbursement notes.</p> <p>5. Verified the amount for Interest Accrued for the FY</p>		

						<p>6. Check borrowing utilisation schedule.</p> <p>7. Check whether the stock statement/other returns submitted to the bank are in agreement with the books of account.</p> <p>8. Whether charges has been registered with the statutory timelines.</p>	<p>2xx2-2xx3.</p> <p>6. Checked that the borrowings have been utilised for the purpose for which it has been obtained.</p> <p>7. Checked the stock statement/other returns submitted with banks are in agreement with the books of account.</p> <p>8. Checked the register of charges and the charges are registered within the timelines.</p>		
<b>ii. Other financial liabilities - non-Current</b>									
Lease Liability						<p>1. Obtained and recomputed working of lease liability as per Ind AS 116</p> <p>2. Obtained lease agreements and verify lease terms</p> <p>3. Verify assumptions used in working</p> <p>4. Verify lease terms of other Lease agreements on sample basis which are not covered in lease liability</p>	<p>1. Obtained the lease agreement and check whether the arrangement contains a lease to be covered under Ind AS 116</p> <p>2. Obtained the lease working.</p> <p>3. Obtained the lease agreements.</p> <p>4. Recomputed the lease liability in accordance with the agreement and provisions of Ind AS - 116.</p> <p>5. The variances were rectified through adjustment entries.</p>		

**Audit Working Paper Templates**

Interest accrued but not due on borrowings	-					Obtain the interest accrued working and map the same with the borrowing agreements.	Obtained the interest accrued working and map the same with the borrowing agreements.		
Security deposits						Verify agreements on sample basis on the basis of schedule provided and verify bifurcation between Current & Non-Current Security Deposit. Check the working are in line with provisions of Ind AS 109	Verified agreements on sample basis on the basis of schedule provided and bifurcation between Current & Non-Current Security Deposit. Checked the working of discounting of security deposit as per Ind AS 109		
<b>Provisions - Non Current</b>									
- Provision for gratuity						Obtain the actuary valuation report and check the assumptions and data sent to actuary.	1. Obtained the actuary valuation report. 2. Verified the Data sent to Actuary and checked the assumptions used for valuation.		
- Provision for Compensated absences						Obtain the actuary valuation report and check the assumptions and data sent to actuary.	1. Obtained the actuary valuation report. 2. Verified the Data sent to Actuary and checked the assumptions used for valuation.		
- Provision for						Obtain working for	1. Obtained land/Other		

decommissi oning						decommissionin g provision.	<p>Immovable properties agreements for various assets to verify that whether restoration clause exists.</p> <p>2. Obtained and verified the working in respect of decommissioning provision and unwinding of provision to check the accuracy.</p>		
<b>Other liabilities</b>									
Deferred grant						<p>1. Obtain Schedule for Grant and</p> <p>2. Obtain relevant supporting documents like EPCG licenses etc.</p>	<p>1. Obtained and verified the active licences against which the Deferred Grant liability has been recognized.</p> <p>2. Obtained closure letters for the EPCG licences closed during the period.</p> <p>3. Obtained the workings for interest and duty computation as per the customs department for the lapsed licences, on the basis of which the interest and duty amount has been paid.</p> <p>4. Verified the amount of deferred grant derecognized in respect of the licenses paid for during the year.</p> <p>5. Verified the amount of Deferred Grant derecognized in respect of the</p>		

**Audit Working Paper Templates**

							active licenses in respect of the assets destroyed due to natural calamities or unfavourable events. 6. Obtained the list of government grants recognized in respect of the grants received.		
<b>Current liabilities</b>			-	-					
<b>Financial liabilities</b>									
<b>i. Borrowings - Loans from Local Banks</b>						<ol style="list-style-type: none"> <li>1. Obtain details of outstanding borrowings as at year end.</li> <li>2. Obtain loan agreements in respect of the outstanding borrowings.</li> <li>3. Obtain confirmation in respect of the amount outstanding as at March 31, 2xx3.</li> <li>4. Obtain loan repayment schedule and map the same with the bank statement.</li> <li>5. Obtain schedule for interest accrued on borrowings.</li> <li>6. Check borrowing utilisation schedule.</li> <li>7. Check whether the</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained and verified the sanction letters and loan agreements for all the loans taken during the year.</li> <li>2. Obtained balance confirmations from the banks to verify the outstanding balance of Borrowings as on March 31, 2xx3.</li> <li>3. Obtained repayment schedule for the Borrowings.</li> <li>4. The amount for the loans disbursed and repaid during the year have been verified from the bank statements and disbursement notes.</li> <li>5. Verified the amount for Interest Accrued for the FY 2xx2-2xx3.</li> <li>6. Checked that the borrowings have been utilised for the purpose for which it</li> </ol>		

						<p>stock statement submitted to the bank are in agreement with the books of account.</p> <p>8. Whether charges has been registered with the statutory timelines.</p>	<p>has been obtained.</p> <p>7. Checked the stock statement submitted with banks are in agreement with the books.</p> <p>8. Checked the register of charges and the charges are registered within the timelines.</p>		
<b>ii. Trade payables</b>						<p>1. Obtain List of creditors.</p> <p>2. Verify and checked Creditor Ageing.</p> <p>3. Obtain vendor wise list of open invoices.</p> <p>4. Obtain confirmations from vendors.</p> <p>5. MSME parties and corresponding interest to be verified</p>	<p>1. Obtained List of creditors and checked for the disputed creditors.</p> <p>2. Verified and checked Creditor Ageing.</p> <p>3. Obtained vendor wise list of open invoices.</p> <p>4. Obtained confirmations from vendors.</p> <p>5. MSME parties and corresponding interest verified</p>		
<b>iii. Other financial liabilities</b>									
- Dues to Related Party- Current maturities of long-term debt									
Interest accrued but not due on borrowings						<p>Obtain the interest accrued working and map the same with the borrowing agreements.</p>	<p>Obtained the interest accrued working and map the same with the borrowing agreements.</p>		

**Audit Working Paper Templates**

- Employee benefits payable					<ol style="list-style-type: none"> <li>1. Obtain the schedule for Salary Payable.</li> <li>2. Verify the pending full and final settlement, if any.</li> <li>3. Check subsequent payment from the Bank statement for the month of April 2xx3 for Staff Reimbursement Payable.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained employee wise schedule for salary payable.</li> <li>2. Obtained zone wise schedule for Staff reimbursement Payable.</li> <li>3. Checked subsequent payment of one zone of Staff reimbursement Payable in the subsequent month.</li> </ol>		
Accounts Payable Other Assets Overseas								
- Capital creditors					<ul style="list-style-type: none"> <li>- Obtain balance confirmation.</li> <li>- Obtain PO in respect of these creditors to verify capital nature of the expenses.</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtained balance confirmation.</li> <li>2. Obtained PO in respect of these creditors to verify nature of expenses.</li> </ol>		
- Capital creditors related parties								
- Derivative Liability (MTM Loss)					<ol style="list-style-type: none"> <li>1. Obtain the details of the underlying contracts sold during the year.</li> <li>2. Obtain copies of the underlying contracts.</li> <li>3. Trace the receipts from the Bank Statements.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained the active Forward contracts as at March 31, 2xx3.</li> <li>2. Obtained the mail communications along with MTM calculations received from the Bank or approved dealers, if any.</li> <li>3. Reperformed the MTM liability in accordance with the Industry standards for interest and discount</li> </ol>		

							rates.		
- Lease Liability						<ul style="list-style-type: none"> <li>- Obtain and recompute working of lease liability as per Ind AS 116</li> <li>- Obtain lease agreements and verify lease terms</li> <li>- Verify assumptions used in working</li> <li>- Verify lease terms of other Lease agreements on sample basis which are not covered in lease liability</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtained the lease working.</li> <li>2. Obtained the lease agreements.</li> <li>3. Recomputed the lease liability in accordance with the agreement and provisions of Ind AS 116.</li> <li>4. The variances were rectified through adjustment entries.</li> </ol>		
<b>Provisions</b>									
- Provision for gratuity						Obtain actuary valuation report and check the assumptions and data sent to actuary.	<ol style="list-style-type: none"> <li>1. Obtained the actuary valuation report.</li> <li>2. Verified the Data sent to Actuary and checked the assumptions used for valuation.</li> </ol>		
- Provision for compensated absences						Obtain actuary valuation report and check the assumptions and data sent to actuary.	<ol style="list-style-type: none"> <li>1. Obtained the actuary valuation report.</li> <li>2. Verified the Data sent to Actuary and checked the assumptions used for valuation.</li> </ol>		
- Provision for Expenses						Obtain the details of the expenses against which provision is being created.	Obtained the details of the expenses against which provision is being created.		
<b>Other</b>									



**Audit Working Paper Templates**

<b>liabilities</b>									
- Statutory dues payable						1. Check and verify TDS and GST Returns 2. Map sale with the GST outward liability 3. Checked labour laws with challans and books.	1. Checked and verified TDS and GST returns and challans 2. Mapped sale with the GST outward liability 3. Checked and verified PT, ESIC and LWF returns & challans reconciled the dues payables with the books.		
- Advance from customers						Obtain list of customers from whom advances have been received.	Obtained the list of customers from whom Advances have been received and verified the ageing for the advances received.		
- Accrued Expenses						Obtain the working for the computation of distributor promotion schemes and verify the claims made by the distributors.	1. Obtained details of the provision made in respect of the distributor schemes run by the company during the year. 2. Obtained approvals for the provision made in respect of the expenses for digital marketing. 3. Verified and checked the unit wise and zone wise provision made in respect of the expenses for the month of March 2xx3.		
<b>TOTAL LIABILITIES</b>									
Difference									

<b>Chapter</b>	2.18*		Name	Initial
<b>Topic</b>	Control Chart-PL	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

(Following draft may be used)

\* The table given below is for illustrative purpose and the procedures given are not exhaustive.

**Control Chart**

Statement of Profit & Loss	Year ended March 31, 2XX3	Year ended March 31, 2XX2	Variance	% Variance	Reasons for Variances	Planned Procedure	Work Done / Procedure Performed	Pending Work/Document	Status
<b>Income</b>									
<b>Revenue from operations:</b>									
Sale of products (including excise duty)*						- Control testing and walkthrough	1. Obtained evidence for Control Testing on sample basis and performed sales walkthrough to assess the operating effectiveness of the controls. 2. Performed substantive testing for the samples selected. 3. Performed sales analytical and obtained management remarks on the observations. 4. Obtained GST reconciliation with the sales records. 5. The following procedures were	None /Yes	Open/ Close
Other Operating Revenue (e.g. Scrap Sales)					- Substantive Testing - Sales Analytical - Cut off testing - GST Output Liability Reconciliation with the Sales register.				

**Audit Working Paper Templates**

						performed for cut off testing: a. Raised samples for testing the sales cut off. b. Performed additional procedures for testing the sales cut off through analytical procedures bifurcating the sales into Inter state sales and Intra state sales.		
<b>Other income</b>								
<b>Interest income</b>								
-from financial assets at amortised cost					Verify the Ind AS 109 working	Working of Ind AS 109 checked		
-On Income Tax Refund					Verify refund order with ITR and check receipt of the same with bank	Verified refund order with ITR Form for AY 2xx2-2xx3 and checked receipt of the same with bank		
Gain on foreign exchange fluctuation (Net)					Obtain working for forex fluctuation.	Forex working obtained and verified		
Income from Government grants					Obtain schedule for Government Grant and check the movement in the schedule for the same.	1. Obtained and verified the active licences against which the Deferred Grant liability has been created. 2. Obtained the working in respect of government grant as per Ind AS 20 and verified that the income has been recognized as per the useful life of the assets against which such grant has been received. 3. Obtained details in		

							respect of the government grant received and checked the subsequent income realised in respect of the same.		
Miscellaneous income						1. Obtain schedule for Miscellaneous Income 2. Schedule to be verified	1. Obtained schedule for Miscellaneous Income 2. Schedule verified		
Allowance for Expected Credit Loss - written back						ECL Working assumptions to be verified	Obtained and verified the ECL working.		
<b>Total Income</b>									
<b>Expenses:</b>									
<b>Cost of materials Consumed</b>									
Opening Stock									
Purchases during the year						1. Purchase Register reconciliation with books and Substantive Testing 2. Test of Control 3. Cut off Testing 4. Import and BOE Summary from ICEGATE reconciliation 5. Reconcile the purchases from the GST portal	1. Substantive testing done 2. Cut off testing done 3. TOC done 4. Reconciled Purchase register with books. 5. Reconciliation for Import & BOE Summary from ICEGATE done 6. Reconciliation of purchase register with GST portal has been done.	None /Yes	Open/ Closed

**Audit Working Paper Templates**

Less: Inventory destroyed due to Fire					Obtain claim submitted by the company with the Insurance Company and valuation to be checked.	Obtained claim submitted by the Company with the Insurance Company and valuation checked along with the verification of supporting documents.		
Less: Closing Stock					Refer Inventory Caption	Refer Inventory Caption		
<b>Purchase of stock-in-trade</b>								
- Traded Goods					1. Substantive Testing	1. Substantive Testing done		
- Finished Goods - Re-packed Goods					2. Test of Control 3. Cut off Testing 4. Import and Bill of Entry (BOE) summary from ICEGATE reconciliation	2. Test of Control done 3. Cut off Testing done 4. Reconciled Import and BOE summary with the ICEGATE.		
<b>Changes in inventories of work-in-progress, stock-in-trade and finished goods</b>								
Stock at the end of the year								
- Finished Goods					Refer Inventory Caption	Refer Inventory Caption		
- Stock-in-Trade (Merchandise)					Refer Inventory Caption	Refer Inventory Caption		
- Work-In-Progress					Refer Inventory Caption	Refer Inventory Caption		

Less: Stock at the beginning of the year					Refer Inventory Caption	Refer Inventory Caption			
- Finished Goods					Refer Inventory Caption	Refer Inventory Caption			
- Stock-in-Trade					Refer Inventory Caption	Refer Inventory Caption			
- Work-In-Progress					Refer Inventory Caption	Refer Inventory Caption			
<b>Employee benefit expenses</b>									
Salaries, wages and bonus					1. Obtain the monthly salary sheets. 2. Obtain bonus calculation, if any. 3. Obtain expat computations. 4. File testing for joining and leaving employees. 5. Substantive Testing for Staff Welfare Expenses 6. Send confirmation mails to sample employees for checking the ghost employees	1. Obtained the summary of monthly salary sheets. 2. Obtained the summary of salary paid to expats and the same has been verified from the Debit Notes raised by Parent Company. 3. No bonus paid during the year. (Obtained the management approval for the verification of provision for Bonus booked in March, 2xx3) 4. File testing done for active, new and exit employees. 5. Substantive Testing done for Staff Welfare Expenses. 6. Verified the agreements and invoices of the vendors selected on sample basis for Contractual labourers. 7. Reconciled the statutory dues related	None /Yes	Open/ Closed	
Contract Manpower and Contribution to provident and other funds									Open/ Closed
Gratuity expenses									Open/ Closed
Staff welfare expenses									Open/ Closed

**Audit Working Paper Templates**

							to employees as per salary sheets with the books. 8. Mails have been sent to sample employees and confirmation for all of them has been obtained.		
<b>Depreciation and amortisation expense</b>									
Depreciation of property, plant and equipment						1. Depreciation Reperformance 2. Obtain leasehold land working along with the lease agreements.	1. Obtained PPE register and checked the useful life and residual value of the assets. 2. Reperformed depreciation to check the accuracy and valuation of the depreciation charged.		
Amortization of leasehold land						3. Obtain Ind AS 116 working along with the rent agreements.			
Depreciation of ROU Asset							Obtained Lease Liability working in accordance with Ind AS 116 and checked and verified the accuracy of the depreciation charged on the ROU Assets.		
<b>Finance costs</b>									
Interest expense on									
- Unwinding of discount on decommissioning provision						Obtain Decommissioning Working and verify the same.	Obtained and verified that the unwinding of decommissioning provision has been made in accordance with AS 10/ Ind AS 16.	None /Yes	Open/ Closed
- ROU Asset						Obtain Ind AS 116 working along with the rent agreements.	Obtained and verified that the interest expense has been computed in accordance with Ind AS 116 working.		

- Interest on External Commercial Borrowing Loan					Obtain Loan Repayment Schedule and Interest schedule along with the supporting for the same.	1. Obtained the loan repayment schedule. 2. Verified the Interest Schedule for ECB and reperformed the calculations.		
- MSME					MSME interest computation pending	MSME Interest computation working verified		Open/ Closed
- local borrowings					1. Obtain Interest schedule. 2. Obtain and verify the schedule with the loan agreements.	1. Obtained Interest schedule and reperformed calculations for interest computation. 2. Verified the schedule with the loan agreements and sanction letters. 3. Interest Rates considered during the year verified from the syndicative interest rates issued by the banks.		
Exchange Differences arising from foreign currency borrowings, to the extent that they are regard as an adjustment to Interest Cost					Obtain the forex fluctuation working and verify the same	Forex fluctuation working verified		
<b>Other expenses</b>								
Spares and Stores Consumed					1. Substantive Testing 2. Analytical	Obtained documents for substantive testing and verified the same.		
Repairs					1. Substantive Testing	Obtained documents for substantive testing and verified the same.		
-Plant and Machinery								
-Others								



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Royalty					<p>1. Obtain Working and map with sales</p> <p>2. Obtain supporting.</p>	<p>1. Obtained the original agreements in respect of royalty.</p> <p>2. Obtained extension letters for the royalty agreements.</p> <p>3. Obtained listings to identify the customers and products on which royalty is to be charged.</p> <p>4. Verified the royalty charged is as per the agreement.</p>		
Power and Fuel					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Rent					Check and verify from the rent agreement.	<p>1. Obtained the schedule providing vendor wise details of the rent expenses.</p> <p>2. Verified and checked the agreements and invoices on sample basis.</p> <p>3. Checked compliance of Ind AS 116 with respect to variable lease rent, short term leases and low value leases.</p> <p>In case of leases under AS 19, checked the minimum lease payments, contingent rent etc has been charged to P&amp;L under operating lease.</p>		
Rates and Taxes					Substantive Testing	<p>1. Obtained ledgers of rates &amp; taxes</p> <p>2. Performed Test of details on sample of transactions</p>		

Printing and Stationery						Substantive Testing	Obtained documents for substantive testing and verified the same.		
Communication						Substantive Testing	Obtained documents for substantive testing and verified the same.		
Travelling and Conveyance						Substantive Testing	Obtained documents for substantive testing and verified the same.		
Legal and Professional						1. Substantive Testing 2. Analytical	1. Obtained schedule of legal & professional expenses 2. Performed TOD on sample of invoices 3. Verified statutory audit fee and internal audit fee with audit proposals. 4. Obtained confirmation of the cases status from Legal vendors and verified the same from management.	Yes/ None	Open/ Closed
Auditor's Remuneration (excluding taxes)						To be verified from proposal	Verified with the proposal		
- Audit fees									
- Tax audit fees									
- Reimbursement of expenses									
- Other Services									
Training and Conference						Substantive Testing	Obtained documents for substantive testing and verified the same.		
Insurance						Check and verify from insurance policies.	Checked and verified from insurance policies and covered maximum population.		
Foreign exchange loss									

**Audit Working Paper Templates**

Recruitment charges					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Advertisement					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Commission and Brokerage					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Vehicle running and maintenance					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Business promotion expenses					Substantive Testing	Obtained documents for substantive testing and verified the same.		
Selling and Distribution Expenses					1. Substantive Testing 2. Analytical	1. Obtained analytical giving details of the monthly provision vs actual expenses booked. 2. Verified the actual expenses along with the provision taken in the month of March with the expenses booked. 3. Obtained audited claim sheets along with the supporting documents on sample basis.		
Freight					Substantive Testing	1. Performed substantive testing. 2. Obtained freight allocation sheets and verified the same with the expenses booked.		
Allowance for Expected Credit Loss					ECL Working assumptions to be verified	Obtained and verified the ECL working in accordance with Ind AS 109.		

Custom Duty (EPCG)					1. Obtain working in respect of the lapsed licenses. 2. Obtain the closure letters along with the payment details from the customs department.	1. Obtained the detailed computation of duty and interest payment received from the customs department. 2. Obtained and recomputed the working in respect of the depreciation to be charged on the EPCG capitalized on the assets.		
Loss on sale of Property, plant & equipment					Obtain details of the assets sold.	Obtained details of the assets sold along with the invoice raised for the sale of assets.		
Loss on Derivative					Obtain MTM working and mail communications from the bank.	1. Obtained MTM working and communications received from the Bank 2. Obtained the Forward contract notes to check the accuracy. 3. Reperformed the MTM working.		
Miscellaneous Expenses					Substantive Testing	Substantive testing done		
<b>Total Expenses</b>								
<b>Profit/(Loss) before exceptional items and tax</b>								
<b>Exceptional Items</b>					1. Substantive Testing 2. Analytical	1. Obtained detailed breakup of the Material items which are significant in size, non-recurring and important for the users of the financial statements to understand the result. 2. Checked and	Yes/ none	Open/ close

**Audit Working Paper Templates**

							computed the monetary impact of the above items and verified the appropriate disclosures. 4. Performed substantive testing for these items booked by the company.		
<b>Profit/(Loss) for the year (A)</b>									
<b>Other comprehensive income for the year, net of tax (B)</b>						Verify with the Actuarial Report	Verified from the Actuarial Report	Yes/ none	Open/ close
<b>Total comprehensive income for the year (A+B)</b>									

(\*) Excise Duty shall form part of expenses as per the provisions of Ind AS and shall be net off from the sale price (turnover) as per the provisions of Accounting Standards (AS).

<b>Chapter</b>	<b>2.19</b>		Name    Initial
<b>Topic</b>	<b>Initial Audit Checklist</b>	Prepared	C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T
<b>Task</b>	<b>Statutory Audit</b>	Approved	A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>		

*(Following draft may be used)*

*It is important to convey to client, what information is required in order to start the audit*

S. No.	Area	Particulars	Person Responsible	Expected date	Remarks <i>(if any, by Team)</i>
<b>1</b>	<b>Business Understanding</b>	Business Profile of the company along with major clients/customers/ vendors/ competitors			
		Latest organization structure of company (with names).			
		Approved policies and procedure adopted by the company (e.g. company manual)			
		Brief about the Information System used by the company			
		Business projections for next 5 years.			
		Internal audit reports for the audit period covered			
		Documents related to ICFR (process flows, risk control matrix, walkthroughs and testing) done by the management			
		Details of whole-time key managerial personnel of a company			
<b>2</b>	<b>Financial Statements</b>	Detailed trial balance (with movement - opening, debits, credits, closing) for the year/period ending as on March 31, 20xx.			
		Standalone Financial Statements which should include the following (as per the format shared): <ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Statement of Profit and loss / Statement of income and</li> </ul>			

**Audit Working Paper Templates**

		<p>expenditure</p> <ul style="list-style-type: none"> <li>- Cash flow statement, if applicable</li> <li>- Statement of changes in equity, if applicable</li> <li>- Notes to Accounts</li> </ul>			
		Consolidated Financial Statements (if applicable)			
		Minutes of meeting of Board of Directors in which the financial statements have been adopted.			
		Final financial with Notes to accounts and accounting policies with all footnotes and necessary disclosures.			
		All AS/ Ind AS Adjustments and their working backups.			
<b>3</b>	<b>Share Capital</b>	Schedule of share capital as at March 31, 20xx. (opening, issued, closing) separately for different types and class of shares			
		List of shareholders holding more than 5% of paid up share capital as at March 31, 20xx. (certified by director)			
		Copy of share certificate issued to shareholders during the year (if any)			
		Shareholding declaration from major shareholders as at March 31, 20xx			
		List of shares issued to non-residents along with copy of Foreign Inward Remittance Certificate 's from Bank, RBI intimation, share valuation reports, acknowledged copy of Foreign Currency Gross Provisional Return.			
		Statutory forms and returns filed with the government regarding increase in share capital along with payment challans. (if any).			
		Details of Share application money pending allotment (if any).			
		Details of any Employee Stock Option Plan ('ESOP') issued by the company along with required approvals, options offered per employee and exercise price,			

		basis of calculation, vesting period, list of option vested and exercised / option vested but not exercised / options cancelled (employee wise), accounting treatment for the same.			
4	<b>Reserves and Surplus</b>	Lead Schedule for Reserves and Surplus which should include all movements on reserves made during the year.			
		Details of all mandatory/requisite transferred made to reserves.			
5	<b>Borrowings</b>	Lender wise list of borrowings ( <b>Separately for Long term and short term</b> ) with following details: <ul style="list-style-type: none"> <li>- Opening Balance</li> <li>- Repaid during the year (with Dates)</li> <li>- Availed/borrowed during the year (With Dates)</li> <li>- Closing Balance</li> <li>- Name of Lender</li> <li>- Nature of relationship with lender(if any)</li> <li>- Whether Secured or unsecured</li> <li>- Purpose of Borrowing</li> <li>- Rate of Interest Payable</li> <li>- Repayment Schedule for each borrowing (With breakup of principal repayment and interest payment).</li> <li>- Break-up of Long term outstanding debt into Current and non-current maturities.</li> </ul>			
		Copy of contract/ arrangement for borrowings outstanding during the year.			
		Balance confirmation for balance outstanding of borrowings as at the end of the financial year concerned			
		Copy of shareholders' approval, where applicable			
		Copy of Board resolution for borrowing			
		Details and supporting documents for any public issue of debt securities made during the year.			



**Audit Working Paper Templates**

		Details of assets on which charge has been created for secured borrowings along with relevant forms filed with ROC.			
		Register of Debenture holders and Debenture trust deed, if any			
		List of ECB taken along with relevant details and copy of agreement			
		Summary of amount utilized for each External Commercial Borrowings (ECB)/Borrowing individually			
		ECB returns filed during the period.			
		Reinstatement of Foreign currency loans taken if any, along with accounting treatment done for the same.			
<b>6</b>	<b>Provis-ions</b>	Details (opening, provision created, provision utilized, reversed, closing) of the provisions for following during the year ended March 31, 20xx			
		Gratuity (along with company policy, working and actuarial valuation)			
		Leave Encashment (along with company policy, working and actuarial valuation)			
		Bonus (along with company policy, calculation and approvals)			
		Warranty (along with company policy and calculation)			
		Rent Equalization (along with working and copy of rent agreements)			
		Income Tax (along with computation of Income Tax liability)			
		Proposed Dividend (along with workings and management approvals)			
		Doubtful Debts (along with policy and calculation)			
		Expenses (Along with supporting and basis of calculation)			
		Break-up of all the above provisions into current and non-current			

<b>7</b>	<b>Trade Payables</b>	List of Creditors (separately for trade goods/ services, Capital goods and expenses)			
		Creditors aging as on March 31, 20xx with subsequent adjustments			
		Balance confirmation from all creditors (Track chart attached)			
		Restatement of foreign currency creditors as on March 31, 20xx			
		Details of balance written back during the year, along with management approvals and reasons thereof			
<b>8</b>	<b>Other Liabilities</b>	Details of other liabilities along with bifurcation into current and non-current			
		Details of advances received from customers along with ageing			
		Details of amounts payable to employees			
		Details of Statutory dues outstanding as on March 31, 20xx along with date and supporting of subsequent payment.			
<b>9</b>	<b>Taxation (Direct and Indirect)</b>	Copy of Income Tax Return (ITR) for AY 20xx-xx along with ITR-V			
		Status of all on-going assessment of Income tax as at March 31, 20xx along with copy of assessment orders received during the year.			
		Computation of Income Tax/ Minimum Alternate Tax and Deferred Tax for the year.			
		Copy of Challans for Advance tax deposited during the year			
		Copy of Form 26AS for the relevant AY along with reconciliation with TDS receivable as per books of account.			
		Schedule of TDS deducted by the company with details (Date of booking expense, Party name, Nature of payment, Expense ledger in which amount booked, gross amount, TDS deducted, date of deposit of TDS, challan number. (Gross amount and TDS should be reconciled with books of account)			

**Audit Working Paper Templates**

		Copy of TDS Challans and TDS return			
		Copy of Certificate for lower deduction/Nil deduction received if any.			
		Returns of GST filed during the year			
		Details of GST charged and paid during the year			
		Details of GST paid/payable under reverse charge (Nature of service, Gross Amount, GST liability)			
		Copy of challan for GST			
		Status of all on-going assessment of Excise/VAT/Service tax as at March 31, 20xx			
		Copy of demand orders received during the year for Excise/Service Tax/VAT			
		Working and documents related to insurance claim receivable.			
<b>10</b>	<b>Property, Plant and Equipment including Intangible Assets</b>	<p>PPE register as at March 31, 20xx providing</p> <ol style="list-style-type: none"> <li>Year of acquisition;</li> <li>Classification, that is, the head under which it is shown in accounts e.g., Land, Building, Plant &amp; Machinery, Furniture &amp; Fixtures, Office Equipment, etc;</li> <li>Location;</li> <li>Quantity, i.e. no. of units;</li> <li>Original Cost;</li> <li>Adjustment for revaluation or for increase or decrease in cost consequent on revolution of Foreign Currency Liabilities if any;</li> <li>Depreciation Written off to date;</li> <li>Written down value of asset</li> </ol>			
		Details of change in method of Depreciation, if any, along with accounting treatment for the same.			
		List of all additions/deletions of PPE during period along with copy of invoices. In case of no additions certificate that there has not been any			

		addition during the period.			
		Calculation of gain/loss of sale of PPE during the year.			
		Depreciation calculation for the period under Companies Act, 2013 and Income Tax Act, 1961.			
		Details and certificate for physical verification of PPE done during the period			
		Schedule of CWIP & Capital Advances as at March 31, 20xx along with movement in CWIP and certificate of completion from vendor for CWIP capitalized during the year.			
		Management certification on CWIP as at March 31, 20xx			
		Provide the list of PPE taken/given on lease during the year.			
		Details of Exchange Fluctuation in case of purchase of imported asset.			
		List of third party assets (if any).			
		Details of assets revalued and movement in revaluation reserve if any.			
<b>11</b>	<b>Inventory</b>	Item and month-wise movement in inventory (separately for Raw material, WIP, consumables and Finished goods) during the year stating therein Opening, Purchases/Manufactured, Sales/Issued and Closing Stock (both quantity and value).			
		Certificate of physical stock take of inventory as on March 31, 20xx			
		Records of Physical stock take of inventory carried during the year along with details and accounting treatment for variation observed if any.			
		Item-wise closing stock valuation as on March 31, 20xx			
		Supporting documents for Goods in Transit as at March 31, 20xx if any.			
		Inventory Ageing analysis as at March 31, 20xx			

**Audit Working Paper Templates**

		Policy for inventory provisioning.			
		Calculation of provision for inventory created as on March 31, 20xx. along with management approval.			
		Inventory valuation Cost vs Net Realisable Value. Details with their supporting documents.			
<b>12</b>	<b>Trade Receivables</b>	Listing of debtors along with Debtors ageing from the dates on which they become due as at March 31, 20xx			
		Listing of open invoices as at March 31, 20xx along with the subsequent collection status.			
		Balance confirmation in respect of major debtors. (Track Chart attached)			
		Listing of trade receivables whose recoverability is doubtful (like debtors with legal cases, old outstanding debtors, etc) along with management assessment for recoverability.			
		Restatement of foreign currency receivables at March 31, 20xx			
		Policy for debtors provisioning and provision made during the year			
		Details of Bad debts recovered (if any)			
<b>13</b>	<b>Other Non Current and Current assets</b>	Classification of all assets (wherever necessary) into current and non-current with basis of such classification			
		Schedule of balance with government authorities as per books of account (like CENVAT credit of Excise/service tax, VAT, CVD, GST, Income Tax etc) – including reconciliation with statutory records.			
		Schedule of employee advances as at March 31, 2xx3 specifying nature of advance and supporting documentation. Also give status on subsequent settlement.			
		Schedule for prepaid expenses as at March 31, 20xx along with supporting			

		documents.			
		Movement wise schedule of security deposits showing party name, date of deposit, amount and nature, agreement and balance confirmation			
		Details of Loans & Advances given to employees during the year along with its repayment schedule.			
		Schedule of advances given to creditors specifying nature of advance and supporting documentation. Also give status on subsequent settlement.			
		Details / workings of Deposits (assets) made during the year along with copy of maturity invoices.			
		Details and movement of Government grant during the year.			
<b>14</b>	<b>Investments</b>	Provide investment schedule as on March 31, 20xx (Openings, Investments made, investment sold/matured, closing)			
		Classification of all investment (wherever necessary) into current and non-current with basis of such classification			
		Working sheet of valuation for investment as per Ind AS 109 and their corresponding income.			
		Provide the copy of policy adopted by the management for investments made by company.			
		Provide the Certificates / Correspondences from Custodian or depository organization /third parties regarding investment made.			
<b>15</b>	<b>Cash and cash equivalents</b>	Certificates of cash & cash equivalents balance as at March 31, 20xx.			
		Details and certificate for cash payments in excess of Rs. 10,000 during the year.			
		List of Bank accounts held by the company			
		Schedule of bank balances as on March			

**Audit Working Paper Templates**

		31, 20xx (segregating current accounts and deposit accounts)			
		Bank reconciliation statements for the month of March 31, 20xx for all the bank accounts, if any			
		Bank balance confirmations (including for deposit accounts) at March 31, 20xx for all banks. (post details of bank confirmation letter will be provided on ABC's letterhead.)			
		Bank Statements for all the bank accounts till (Month) 20xx			
		Schedule for movement in Fixed deposits during the period.			
		Copy of Fixed deposit receipts of the new & matured FD's during the year			
		Working of interest accrued on FD during the year			
<b>16</b>	<b>Revenue</b>	Invoice wise sales register (in excel file) for the year ended March 31, 2xx3 with following details:  Invoice Number, Invoice Date, Party, Material Sold, Quantity, Sale Value, GST charged			
		Invoice wise list of service income earned for the year ended March 31, 2xx3 with following details:  Invoice Number, Invoice Date, Party, service rendered, Service Value, GST charged.			
		Schedule of break up of sales and service income into domestic and export sales for the year ending March 31, 2xx3			
		Agreement made during the year with major customers.			
		Revenue process along with the revenue control chart			
		Supporting documents of the samples (list to be shared during audit)			
		Details of all the sales returns made			

		during the year ended March 31, 2xx3, if any.			
		Compliances regarding Foreign exchange management Act in case of export sales/service.			
		Reconciliation of sales made during the year with the statutory returns and books of account.			
		Agreement for commission income if any			
		Promotional scheme given (Details, Calculation, approvals)			
		Schedule of other operating income earned.			
17	<b>Other Income</b>	Schedule of Interest Income earned on fixed deposits for the year showing calculation for the year ending March 31, 20xx and reconciliation with form 26AS			
		Consolidated details of commission income earned by company for rendering support service to customers or head office (as the case may be) along with the contracts/agreement entered by company in this behalf.			
		Detail of interest received from authorities on refund made by them.			
		Detail of back margin/cash discount received by the company along with the supporting for the same.			
		Detail of other income, service fee for the year ending March 31, 20xx			
		Detailed calculation of Foreign Exchange income earned during the year. (Unrealised + Realised)			
		Details of Scrap sales for the period			
18	<b>Purchase &amp; Manufacturing Expenses</b>	Provide breakup for Manufacturing Expenses			
		Invoice wise list of Purchases of Raw material and consumables for the year ended March 31, 20xx along with copy of invoices and Goods Received Note			



**Audit Working Paper Templates**

		(GRN)			
		Purchases register in excel for the FY xx-xx showing item wise and voucher wise purchases			
		Provide the list of Purchase orders which are pending from more than 1 month as on March 31, 20xx			
		Bifurcation of purchases for raw material and for trade			
		Details of freight and other direct expenses charged on the products			
		Details of Consumables and scrap sales for the period			
		Matching of purchase as per financials with stock records maintained			
		Copy of agreement with new vendors.			
		Supporting documents of the samples (list to be shared during audit)			
		GST summary on month on month basis			
<b>19</b>	<b>Employee benefit expenses</b>	List of all employees for the period ended March 31, 20xx (Name, designation, date of joining, date of leaving) along with appointment letters for the new employees and full & final settlement for employees who left during the period.			
		HR Manual and details of all types of leaves provided to employees along with its encashment and carry forward policy			
		Salary sheet in excel for each month for the period			
		Working of incentive (ex-gratia, performance / target incentive) for the period ended March 31, 20xx along with management approvals.			
		Schedule of directors' remuneration for the year (Expat Computation)			
		Schedule of staff welfare expenses incurred by the company.			

		Actuarial valuation (provision) in respect of gratuity, leave encashment as at March 31, 20xx			
		- Employee wise base data as sent to actuary			
		- Actuarial valuation report and working of entries passed in books			
		Details of LWF, PF and ESIC deducted and calculated, along with working thereof and copy of challans and return.			
20	Finance cost	Interest calculation for various borrowings made by the company along with reconciliation with books of accounts.			
		Loan Agreement with the Holding Co/Bank as the case may be			
		Certificate of interest accrued but not payable as on March 31, 20xx from Bank/borrower.			
21	Extraordinary and Exceptional items	Details of extraordinary and exceptional items, if any.			
		Impact of Covid-19 on the financials if any and their treatment in books			
22	Other expenses	Details of foreign exchange fluctuation for the year and closing restatement of foreign receivable / payable balance as at March 31, 20xx.			
		Schedule of month wise rent paid on various premises during the year. Copy of lease agreement for all new lease arrangement entered during the year.			
		Schedule of Legal and professional expenses giving party wise / nature wise break up.			
		Details of Travelling expenses incurred during the year along with the name of the employee who has incurred these expenses.			
		Details of Foreign currency travel expenses incurred			

**Audit Working Paper Templates**

		Detail of Payments made to contractual labourers.			
		Detail of Corporate Social Responsibility (CSR) expense made by company if applicable as per Companies Act 2013.			
		Working of warranty expenses booked.			
		Details of Brokerage paid during the year			
		Details of initial and running royalty booked and paid during the period along with copy of agreements for the same. (if any)			
		Schedule of debtors / advances/ other balance written off or provided as doubtful debts.			
		Details of freight and logistics expenses paid during the period			
		Schedule for repair and maintenance expenses incurred during the period			
		Details on expenditure incurred by way of penalty.			
		Details of Registrar of Companies (ROC) Fees paid during the year			
		Schedule of Annual maintenance expense along with party name and nature of exp.			
		Schedule of Insurance expense.			
		Copy of invoices with respect to rates & taxes incurred during the year.			
		Supporting documents of the samples (list to be shared during audit)			
23	Secretarial Records	Meetings of Directors and Minutes	Minutes book of meetings of Directors		
			Minutes books of proceeding of general meetings		
			Notices sent to members for		

			general meeting.				
	<b>Forms, Returns and Documents</b>		Annual Return filed with ROC				
			Return of allotment of shares, if any				
			Notice of redemption of preference shares, consolidation, division, increase in share capital, cancellation of shares and increase in number of members				
			Directors declaration for interests from all directors of the year.				
			Directors declaration u/s 164(2) in prescribed format.				
			Return of appointment of managing director / whole time/director /manager along with challans				
		<b>Statutory Registers</b>		Register of Directors' shareholding			
				Register of deposits.			
				Register of members			
				Register and index of debenture holders			
				Register of particulars of contracts in which directors are interested under			

**Audit Working Paper Templates**

			Section 189 of Companies Act 2013			
			Register of investments			
<b>24</b>	<b>Information pursuant to Notes to Accounts and Additional information</b>	Expenditure in foreign currency and CIF value of imports				
		Earnings in foreign currency				
		Calculation of Earnings per Share				
		Capital commitments & other commitments				
		Information on litigations and claims as at March 31, 2xx3 along with certificate from advocate for pending legal cases and expected cash outflow in each case.				
		Information on fraud reported on or by the Company along with its current status, if any				
		List of Related parties & details of transactions with them along with reconciliation with party ledgers in books of account				
		Details of balance outstanding with related parties.				
		Unhedged foreign currency				
		Schedule of consumption of raw materials, components and spares				
		Details of litigations/disputes/claims with respect to employees/ex-employees, customers, vendors etc and current status of the same.				
		Details of outstanding bank guarantees, bill discounted, letters of credit and acceptances, if any				
Summary sheet showing calculation of realized and un-realized Foreign Exchange Fluctuation.						

		Details of managerial remuneration paid to managerial personnel during the period.			
		Details of charges or lien created against any PPE through guarantees, loan arrangements			

The above list does not represent an exhaustive list and additional information may be requested during the course of audit.

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>2.20</b>		<b>Name</b>	<b>Initial</b>
	<b>Evidence of Communication of Initial Audit</b>		C	
<b>Topic</b>	<b>Checklist</b>	Prepared		
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example – the communication through email sent to client)*

Dear Team,

Please find attached the Initial Audit Checklist for Statutory audit for FY 20XX-20XX.

Request you to kindly send the data according to the checklist provided so that we can conduct the audit seamlessly.

Should you have any further queries feel free to call/revert.

<b>Chapter</b>	<b>2.21</b>	Name	Initial
<b>Topic</b>	<b>Communication of Audit Schedule</b>	Prepared	C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T
<b>Task</b>	<b>Statutory Audit</b>	Approved	A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>		

*(Following draft may be used as an example of mail sent to the client)*

Dear Team,

Hope you are doing well!!

As discussed with you over call/ during the meeting dated XXXX, please find attached tentative the Audit Schedule.

<b>Activity</b>	<b>Tentative Dates</b>	<b>Responsibility</b>
List of documents (Initial audit checklist) to be provided	Feb xx	
<b><i>Interim Audit</i></b>		
Trial Balance (period starting from April 01, 20xx, to January 31, 20xx)	Feb xx	
Initial meeting and discussion draft financial statements to be provided to audit team (along with audit document file as per checklist)	Feb xx	
Field work	Feb xx - Feb xx	
Review by Manager – Draft financials and Issue of audit memo	Feb xx - Feb xx	
Response on audit memo	Feb xx	
Stock taking	Mar xx	
<b><i>Final Audit</i></b>		
Trial Balance and draft financial statements (for the period starting from April 01, 20xx to March 31, 20xx)	April xx	
Field work	April xx - April xx	
Review by Manager – Draft financials and Issue of audit memo	April xx	
Response on audit memo	April xx	
Review by Partners and EQCR– internally post response on audit memo	April xx	
Issue of final financial statements with notes for signing	April xx	



**Audit Working Paper Templates**

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			Name	Initial
<b>Chapter</b>	<b>2.22</b>			
<b>Topic</b>	<b>Audit Requirement Communication-Schedule III and CARO</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

Dear Team,

Please find attached the Schedule III to the Companies Act, 2013 and CARO Checklist for Statutory audit for FY-20XX-20XX.

Request you to kindly send the data according to the checklist provided so that we can conduct the audit seamlessly.

Should you have any further queries feel free to call/revert.

## **Chapter 3: Execution**

- 3.1 Property, Plant and Equipment
- 3.2 CWIP
- 3.3 Intangible Assets
- 3.4 Right of Use of Assets
- 3.5 Depreciation & Amortization
- 3.6 Investments
- 3.7 Trade Receivables
- 3.8 Cash and Bank
- 3.9 Other Financial Assets
- 3.10 Share Capital
- 3.11 Other Equity
- 3.12 Loans and Borrowings
- 3.13 Finance Costs
- 3.14 Lease Liabilities
- 3.15 Trade Payables
- 3.16 Other Financial Liabilities
- 3.17 Tax Liabilities
- 3.18 Other Current Liabilities
- 3.19 Deferred Tax Liabilities
- 3.20 Revenue from Operations
- 3.21 Other Income
- 3.22 Inventories
- 3.23 Employee Benefits
- 3.24 Expenses



<b>Chapter</b>	3.1 to 3.5		Name	Initial
<b>Topic</b>	PPE, CWIP, Intangible Assets, ROU Assets, Depreciation & Amortization	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 20xx			

(Following draft may be used as an example)

These are examples of procedures which may be performed by engagement teams in their audits based on their assessment of risks of material misstatement at financial statements level and assertion level. These are not workpapers but audit programs only. Engagement teams should perform these procedures and include detailed workpaper to support each procedure.

S. No	Description		Audit Procedure	Assert-ions	Yes /No /NA	Check-ed By	Remark s
1	<b>Kick off Procedures</b>	a	Obtain the Lead Schedule for property, plant, equipment (PPE)				
2	<b>Analytical Review</b>	a	Verify the totals of each category of PPE	A			
		b	Verify the Additions for their value, number and average number and compare with Capital expenditure incurred in the Prior periods	A/C			
		c	In case of asset disposal, ascertain the level of gain or loss on disposal	A			
		d	Examine the level of fully depreciated assets in use and assets not in use awaiting disposal	C			
		e	Examine the rates of depreciation and the percentage of gross cost to valuation of property, plant and equipment	A			
		f	Analyse the Utilisation/ Productivity of the property, plant and equipment using ratios sales and production as the parameter of measure	C			
3	<b>Classification</b>	(i)	Property, plant & equipment- Classification				

**Audit Working Paper Templates**

			Land				
			Building				
			Plant & Machinery				
			Furniture & Fitting				
			Vehicles				
			Office Equipment				
			Others (Specify Nature)				
		(ii)	Intangible Assets-Classification				
			Goodwill				
			Brands/Trademarks				
			Computer Software				
			Mastheads & Publishing Titles				
			Mining Rights				
			Copyrights & Patents				
			Recipes, Formulae, Models, Designs & Prototypes				
			Licenses & Franchise				
			Others (Specify Nature)				
		(iii)	Capital Work-in-Progress				
		(iv)	Intangible Assets under Development				
<b>4</b>	<b><i>Records/ Documents to be verified</i></b>	a	Minutes and resolutions				
		b	CAPEX budgeting				
		c	PPE Register				
		d	Title deeds, land documents, NOCs				
		e	Invoices, Delivery challans, installation reports				
		f	Purchase Orders				
		g	General ledgers				
<b>5</b>	<b><i>Test of Details</i></b>	<b>A</b>	<b>Overall Testing – Property, Plant and Equipment</b>				
		i	Scrutinize Repairs and Maintenance expenses Account and ensure whether any expenditure that meets the	C			

			recognition criteria of AS 10/Ind AS 16 needed to be capitalised				
		ii	Examine the Assets Capitalised, disposed or transferred at or near the balance sheet date and ensure its correctness	CO			
		iii	Verify the reports of plant engineers, insurance policies, rental receipts in case the assets are hired out to third parties	E			
		iv	Verify the significant movements of assets at or near the balance sheet date	CO			
		v	Ensure that Stand-by or servicing equipment are capitalised if it meets the definition of Property, plant and equipment	C			
		<b>B</b>	<b>Additions</b>				
		i	Verify supporting documents Viz Invoices, Delivery challans, title deeds, Installation and commissioning documents, RC book for new acquisitions and improvements and test the arithmetical accuracy of the invoice	A/O			
		ii	Examine the Purchase orders raised for significant CAPEX.	A/C			
		iii	(a). Verify Board minutes for approval of Purchase of Land and Buildings	E/O/A/ RO			
			(b). Verify Ownership of land and buildings by examining the title deeds	E/RO			
			Obtain Confirmation from third parties such as banks in case the title deeds are held by them as security. Check for the registration of charges if any.	E/C			
		iv	In case of jointly held assets, verify the title deeds and ascertain the share of asset owned	E/RO			
		<b>C</b>	<b>Disposal (destroyed / scrapped/sold)</b>				

**Audit Working Paper Templates**

		i	Verify Whether accounts have been adjusted for depreciation and asset value	C			
		ii	Verify Whether sale proceeds have been fully accounted	A			
		iii	Ensure the gain or loss has been appropriately given effect in the Statement of Profit and Loss	A			
		iv	Review Work orders or Physical Verification reports to conclude retirement.	C/A/E			
		v	Examine whether a substantial portion of assets have been disposed by verifying the bill of sales. Ensure whether the going concern assumption has been affected. Also ensure whether consent in the General meeting has been obtained.	E/O/C O			
		vi	Ensure that the disposed asset has been deleted from general ledger and PPE register	A			
		vii	Verify the transactions relating to Purchase of asset on exchange basis	A			
		viii	Ascertain changes in the business leading to discontinuance of product line, operations in a unit leading to disposal of assets	C			
		<b>D</b>	<b>Intangible Assets</b>				
		i	Ensure that internally generated intangibles are not recognised as an asset				
		ii	Verify whether the ownership of Patents and Copyrights are registered by inspecting the register at the Patent office or requesting for a certified copy of the register entry from such office	E			
		iii	Ensure registration period of trademark is not lapsed and payment has been made towards renewal fees	A/E			

		iv	Review the research and development expense account to ascertain if any expense needs to be capitalised	C			
		v	Check the supporting documents viz agreement to purchase for purchase of goodwill, cost sheets for internally generated assets to check the arithmetical accuracy	A			
		<b>E</b>	<b>Capital Work-in-Progress</b>				
		i	Ensure whether the treatment of expenditure on constructions are in line with the accounting Policies	C			
		ii	Verify supporting documents Viz Contractors bill, work order records, Architect or Engineers certificate and independent confirmations for Self-constructed and Capital Work in Progress	A/C			
		iii	Review the Contractual Agreement and make a Physical visit to the site where controls warrant.	A/E			
		iv	Evaluate the appropriateness of capitalized costs, including overheads and other cost allocations requiring judgments and estimates	C			
		v	In case of Contracts that are completed ensure they are capitalised and depreciation is provided	A			
		<b>F</b>	<b>Intangible Assets under Development</b>				
		i	Verify whether approval has been obtained for development of the intangible asset	RO			
		ii	Ensure that all the expenses in relations to development viz salary, allowances, administrative overheads and expenses directly attributable to the development of the Intangible asset are capitalised	A/C/CI			



**Audit Working Paper Templates**

6	<b>Physical Verification</b>	a	Examine whether the method of verification of assets by the management is reasonable	C			
		b	Examine whether every asset is distinctively numbered	E			
		c	Examine the frequency of such physical verification and assess the reasonability based on the size and nature of business	C			
		d	Ensure that the book records of PPE agree with the physical verification report. In case of material discrepancy, examine whether the same warrants an adjustment in the books or change in Internal Control System	C/E			
7	<b>Valuation &amp; Disclosure</b>	<b>I</b>	<b>PPE - Cost, Net book value of assets</b>				
		a	Ensure that the property, plant and equipment have been accurately identified, summarised and recorded in the financial statements as per the relevant accounting standards.	A/C			
		b	In case of revaluation of assets, examine the appraisals made by the registered valuers and its reasonableness	C			
		c	Confirm that the consideration on PPE purchased on consolidated price are apportioned to various assets on a fair value basis by verifying the valuation reports of the competent valuers	A/V			
		d	Ensure all the expenses incidental and attributable to bringing the specific asset to its working condition is capitalised.	C/A/V			
		e	In case of revaluation, examine the Certificate of the competent valuers and ensure its correct treatment in the Books of account.	A/C			

		f	Check that Intra group transfers are identified and reported for consolidation purposes. Also check for Board approvals for related party transactions.	A			
		g	Examine whether assets acquired on Hire Purchase terms are recorded on cash value or recompute the value based on the rate of interest	A			
		<b>II</b>	<b>Depreciation/Amortisation</b>				
		a	Ensure depreciation /amortisation thereof on the property, plant and equipment are computed based on the rates prescribed in the Companies Act, 2013 or such higher or reduced rates adopted are reasonable and approved by the board.	C			
		b	Ascertain whether there are assets whose useful life is shorter than the physical life of the asset by verifying the predetermined legal or contractual date of expiry or governed by extraction or consumption or the extend of use resulting in wear and tear or obsolescence	C			
		c	Verify whether the depreciation/ amortisation provided on revalued assets are written down for balance useful life of the asset	A/C			
		d	Examine whether the surplus or deficiency of any depreciable asset disposed or discarded are calculated appropriately	A			
		e	In case of change in method of depreciation, ensure whether the deficiency or surplus is given effect in the statement of profit and loss. The same is required to be quantized and disclosed as a Change in the accounting policy	A/C			
		<b>III</b>	<b>Intangible Assets</b>				
		a	Ensure that the basis of valuation is appropriate	C			

**Audit Working Paper Templates**

		b	Examine evidence viz Valuers report to ascertain that fair values are correctly apportioned and justified in case of acquisition of business	A/C			
		c	Ascertain the carrying value of the individual intangible assets with the future economic benefits and suggest appropriate writing down due to uncertainty of further benefits	A/C			
		d	Review expenditure and marketing forecast and other management plans relating to development cost	A/C			
<b>8</b>	<b>Miscellaneous</b>	<b>A</b>	<b>Borrowing Cost</b>				
		i	Ensure that borrowing cost on qualifying asset (asset that necessarily takes a substantial period of time to get ready for its intended use or sale) is only capitalised and condition for qualifying asset is satisfied with regards to AS 16/Ind AS 23				
		ii	Review loan agreements for the qualifying asset for the loan amount sanctioned and review the bank statement or advice for disbursement	A			
		iii	Correlate the total asset value with the borrowed funds and ascertain the Per cent of borrowed capital.	A			
		iv	Ensure that the loan borrowed is utilised only for acquisition of the qualifying asset by checking the bank account for disbursement of payments to contractors, wages etc;	C			

		v	Examine the Project account and project status report to ascertain the date of commencement of the activities or date on which asset was put to use to determine borrowing cost that requires capitalisation.	C/E			
		vi	Ensure that exchange differences arising on foreign currency borrowings are included in the borrowing cost and ensure that such cost shall be the difference in interest on foreign currency borrowings and local currency borrowings and balance is 'Effects of Changes in Foreign Exchange Rates'	V/C			
		vii	Ensure that capitalisation of Borrowing cost ceases when substantial activities to prepare the qualifying asset for intended use are complete	V			
		<b>B</b>	<b>Interest on Deferred Credit Payment for Assets Purchased</b>				
		i	Ensure that the Interest on the Credit Payments Viz Loans during the construction and installation stages are capitalised	C/Cl			
		<b>C</b>	<b>Leased Assets</b>				
		i	Ensure the following disclosures for finance leases: (a) assets acquired under finance lease as segregated from the assets owned (b) for each class of assets, the net carrying amount at the balance sheet date	A			
		ii	Review the lease agreements to ensure that the lease conditions have been complied with regards to covenants, pledge assets, collateral	RO/PD			
		iii	Review the lease assets life for reasonableness of finance lease	A			

**Audit Working Paper Templates**

		iv	Ensure that the corresponding liability to the asset at an amount that is lower of the fair value of the leased asset or Present value of the minimum lease payments	V			
		iv	Examine Whether a sale and leaseback transaction has been executed and ensure that the treatment is in accordance with AS 19 /Ind AS 116	C			
		v	Ensure that the depreciation policy for a leased asset is consistent with that for depreciable assets which are owned, and the depreciation recognised is calculated on the basis set out in Accounting Standard (AS 10/Ind AS 116) over the life of the asset or lease period whichever is shorter	A/C			
		<b>D</b>	<b>Impairment</b>				
		i	Examine whether the carrying amount of the Property, plant and equipment is less than the recoverable amount and recognise Impairment loss where necessary.	Cl			
		ii	Evaluate the reasonableness and consistency of quantifying such impairment through valuation certificate by a valuer. Assess the relevance of significant assumptions and methods. Examine the completeness and accuracy of the source of information.	O/C/A			
		iii	Assess the basis viz. the Projected cash flows, Discount rate and other parameters for computation of the impairment loss and analyse whether the assumptions that were adopted are reasonable	V			
		iv	Ensure that the asset impaired has been shown in the balance sheet after giving effect to the impairment loss	C			
		<b>E</b>	<b>Grant against PPE</b>				

		i	Examine the nature of Grants received whether it is capital or revenue, and their treatment is in accordance with AS 12/Ind AS 20	CI			
		ii	Ensure that any Non-monetary capital grants received are recorded at nominal value of the asset as per AS 12 /Ind AS 20	V			
		iii	Ensure all conditions attached to receipt of grant against specific assets are fulfilled by verifying the related documents	C/RO			
		iv	Examine the accounting policy / method adopted by the company either as a deduction from the value of asset or as deferred income and ensure appropriate disclosure in the financial statements.				

<b>Legend</b>	<b>Assertions</b>
<b>C</b>	Completeness
<b>A</b>	Accuracy
<b>E</b>	Existence
<b>RO</b>	Rights & Obligations
<b>CO</b>	Cut off
<b>PD</b>	Presentation and disclosure
<b>CI</b>	Classification
<b>O</b>	Occurrence
<b>V</b>	Valuation
<b>AI</b>	Allocation

**Audit Working Paper Templates**

<b>Chapter</b>	<b>3.6</b>			Name	Initial
<b>Topic</b>	<b>Investments</b>			Prepared	C
<b>The client</b>	<b>XYZ Company Private Limited</b>			Reviewed	T
<b>Task</b>	<b>Statutory Audit</b>			Approved	A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>				

(Following draft may be used as an example)

S. No	Description		Audit Procedure	Assertions	Yes /No/ NA	Checked By	Remarks
1	<b>Kick off Procedures</b>	a	Obtain the Lead Schedule for Investments				
2	<b>Verification of Records</b>	A	<b>Overall Testing</b>				
		i	Ascertain whether the investments made by the entity are within its authority by verifying the minutes of the Board meeting and investments are held in its own name	RO			
		ii	Verify whether all the Investment income have been accounted in the books of account	E			
		iii	Ensure whether any conditions which restrict, qualify or abridge the right of ownership or its disposal have been complied with	C			
		iv	Examine the reasons for investments held otherwise in the name of the entity and examine the documentary evidence	C			
		v	Ensure that the investment schedule is in agreement with the investment register at the year end	A			
		vi	Check the investment control account reconciliation and their carrying values and reinstatement of investments in foreign currency	A			
		vii	Check the accounting policy of the Company w.r.t valuation of investment and check the compliance of Ind AS 109 / Ind AS 28.				

		<b>B</b>	<b>Investments in Equity Instruments/ Preference shares / debentures/ Mutual Fund/ Government or Trust Securities</b>				
		i	Evaluate the management's intent as regards investments whether Current and Non-Current and the amount and class of investment and approval by the appropriate authorities	A/C			
		ii	Verify acquisition / disposal of investment with reference to acquisition agreements, broker's contract note, bill of cost, receipts and other relevant evidence	A/CO			
		iii	Examine the correspondence of offer for right issue and examine the decision in case of renunciation of the same with reference to minutes of the meeting	C			
		iv	Check the prices paid /received in case of substantial purchase or sale of investments with reference to stock exchange quotation.	A			
		v	Carry out a physical inspection of investments in the form of shares, debentures and other securities.	E			
		vi	Verify the periodic reconciliation of the balances as per the records maintained by the custodial or depository participants	C			
		vii	Examine the statements issued by custodial or depository participants confirming the holding of the investments	E/C			
		viii	Verify the shareholding statement received from the third parties holding the investments on behalf of the entity	E/C			
		ix	Examine the declaration made under provisions of Section 187 of the Companies Act, 2013 where shares are held in the name of key managerial personnels of the entity	C			
		x	Verify the Portfolios of Mutual	A/C			



**Audit Working Paper Templates**

			Funds and Net realisable value of the amount invested as per statement and ensure the same has been given effect in the books				
		<b>C</b>	<b>Investments in Equity Shares leading to exercise of Control</b>				
		i	Examine the classification of investments in subsidiaries, joint ventures or associates	C			
		ii	Examine whether acquisition has been accounted for as a pooling of interest or a purchase and analyse the basis of arriving at the fair value of the assets	V			
		iii	Verify whether the excess / deficit in the net of assets and liabilities has been accounted as Goodwill or Capital reserve/ gain on bargain purchase	CI/V			
		iv	Ensure that all inter corporate investments are approved by a resolution in the board and ensure aggregate of such investments does not exceed 60% of the paid up capital and free reserves.  Verify appropriate adjustments in consolidation of accounts in case of Subsidiaries and compliance of Provisions of AS/Ind AS in relation to investment and verify its correctness and whether any inter-company adjustments required	CI			
		<b>D</b>	<b>Investment in Partnerships</b>				
		i	Examine the Partnership deed and identify the terms and conditions. Also obtain information on the profit sharing ratio, the extent of liability and interest on capital from the deed	RO/E			
		ii	Verify the financial statements of the partnership and ensure that the investment made exist	E			
		iii	Review the partnership accounts to ascertain whether the firm is making continuous losses leading to deterioration of the investment value	C/E			

3	<b>Valuation &amp; Disclosure</b>	a	Ensure investments have been valued and disclosed in the financial statements in accordance with the recognised accounting policies and practises and relevant statutory requirements	C			
		b	Examine whether the carrying cost of investment is lower of the cost and the fair value in case of AS 13 and as per the provisions of Ind AS 109 carrying value shall be at fair value through profit and loss or fair value through Other Comprehensive Income (OCI) or at amortised cost. Verify the Fair value based on the Market value.	V			
		c	Examine whether the cost of investments include expenditure on transfer fees, stamp duty, brokerage etc.	A			
		d	Ascertain the market value of quoted securities via stock exchange quotation.	V			
		e	Examine the method adopted for valuing the unquoted securities and ensure the same is ascertained on the basis of authentic market report	V			
		f	In case entity is a finance, investment, chit fund Nidhi or mutual benefit company dealing / trading in shares, securities and other investments, disclose the same in the CARO	PD			
		g	Disclose details of investments representing holdings in excess of 10% of the allotted share capital of a body corporate	PD			
		h	Examine whether there is any permanent diminution in the investment carrying value by analysing various factors such as decline in the fair value, downgrading by the credit rating agency, financial position of the issuer and ensure disclosure of aggregate provision for such	V/O			

**Audit Working Paper Templates**

			diminution.				
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<b>Legend</b>	<b>Assertions</b>	
<b>C</b>	Completeness	
<b>A</b>	Accuracy	
<b>E</b>	Existence	
<b>RO</b>	Rights and Obligations	
<b>CO</b>	Cut-off	
<b>PD</b>	Presentation and Disclosure	
<b>CI</b>	Classification	
<b>O</b>	Occurrence	
<b>V</b>	Valuation	
<b>AI</b>	Allocation	

Chapter	3.7	Name	Initial
Topic	Trade Receivables	Prepared	C
The client	XYZ Company Private Limited	Reviewed	T
Task	Statutory Audit	Approved	A
Period	for the year ended March 31, 2xx3		

*(Following draft may be used as an example)*

**Background:**

**XYZ Company Private Limited** (The company) is incorporated under the provisions of the Companies Act 2013, to carry on business of manufacturing, buying, selling, processing, importing, exporting and trading in all type of grocery, food, food product, dairy product, bakery and confectionary product whether as owner, co-owner, joint venture, operator, franchisee or any other business model. The company is engaged in the process of supplying raw materials of food, food product, dairy product, bakery and confectionary product to **PQR Ltd.**

**Structure:**

The sales of the products are made by the company to its related parties only, who further process the material and prepare the food to be further delivered in the trains as per the agreement with PQR.

**Purpose:**

The purpose of this working paper is to document the overall work done on trade receivables.

**Work Done:**

**(A) Kick-off Procedures**

- a) Obtained the list of the customers of the Company along with their balances and ageing.
- b) Obtained the listing of trade receivables classified between disputed and undisputed.
- c) Obtained the ledger dump of the parties to verify the transactions.
- d) Identified the parties to whom the direct confirmation is to be sent.

**(B) Analysis:**

Analysis of Trade Receivables has been done according to two basis:

- (i) Total trade receivables variance analysis
- (ii) Customer wise trade receivables variance analysis

**Total Trade Receivables Analysis**

This procedure was performed along with the analytical procedures performed for the other balance sheet and P/ L items.

**(C) Confirmation Control Chart**

External confirmations have been sent to the parties to confirm that the closing balances as per parties are in agreement with that of the books of account of the Company. The confirmations have been sent to the parties on the basis of the significance of the balances The provisions as mentioned in SA 505 have been duly followed. As this is received directly from third party, it increases the reliability of audit

evidence and becomes an important audit procedure. Confirmation Tracker for the same has been maintained.

**(D) Subsequent status**

The confirmations from all the parties have been received hence there was no requirement for the checking of the subsequent status.

**(E) Conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation Or

Based on the audit procedures performed we have observed the following:

1. ....Refer AQM No.....of Audit Memo
2. .... Refer AQM No.....of Audit Memo
3. .... Refer AQM No.....of Audit Memo

Since management has adjusted the balances based on the observation raised by us, Refer management response no .....Therefore the balances of trade receivables give true and fair view Or

Based on the audit procedures performed we have observed the following:

1. ....Refer AQM No.....of Audit Memo
2. .... Refer AQM No.....of Audit Memo
3. .... Refer AQM No.....of Audit Memo

Since management has not adjusted the balances based on the observation raised by us, Refer management response no .....Therefore we have reported the same in our audit report and issued the modified opinion on this matter. Refer Audit Report para no .....

<b>Chapter</b>	<b>3.8</b>		Name	Initial
<b>Topic</b>	<b>Cash &amp; Bank</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background:**

**XYZ Company Private Limited** (The company) is incorporated under the provisions of the Companies Act 2013, to carry on business of manufacturing, buying, selling, processing, importing, exporting and trading in all type of grocery, food, food product, dairy product, bakery and confectionary product whether as owner, co-owner, joint venture, operator, franchisee or any other business model. The company is engaged in the process of supplying raw materials of food, food product, dairy product, bakery, and confectionary product.

**Purpose:**

The purpose of this working paper is to document the overall work done on Cash & Cash Equivalents section.

**Work Done:**

**(A) Kick-off Procedures**

- a) Obtained the Bank statements of the company on a random basis and specially for the ones of year end.
- b) Gained an understanding on how bank payments are made by the organization.
- c) Obtained bank reconciliations for the months of January, 20XX and March, 20XX.
- d) Obtained Fixed deposit certificate and Interest on FD working at year end.

**(B) Analysis:**

**Variance Analysis**

Particulars	As at 1 <sup>st</sup> April, 20xx (previous)	As at 31 <sup>st</sup> March, 20xx	Remarks
Balance with banks: In current accounts			
Fixed Deposit (upto 12 months maturity)			
Cash on hand			
<b>Grand Total</b>			

**(C) Cash Verification:**

- The Company's balance of cash & cash equivalents is in the form of bank balance and Fixed deposit balance and cash on hand. A signed certificate from the authorized signatory of the management of the same has been taken for the amount of cash balance.

**(D) Balance Confirmation:**

- A direct communication has been sent to the bank confirming the bank balances, fixed deposits balances, interest on the same at year end i.e., March 31, 20xx for all the bank accounts held by the company.

**(E) Reconciliation of bank balance as per books of account with that of bank statement**

- A reconciliation of bank balance as per books of account and balance as per bank statements was done for all the bank accounts at year end. i.e. March 31, 20xx. ***(Bank reconciliation statement verified)** and also checked the long pending reconciliation item along with the subsequent clearance status.*

**(F) Analysis of major transactions done during the year end**

- An analysis of the major transactions entered by the company during the have been verified thoroughly from the bank statements.
- The purchase of the land and building during the year. The payment made through the bank have been traced and the TDS implications of the same have been verified.
- The disbursements of the loans taken during the year have been verified and traced from the respective bank statements.

**(G) Interest on Fixed Deposit:**

- A working was obtained from the management to check if the interest accrued on fixed deposit is same as in the fixed deposit certificate.
- The Fixed deposit control chart has been prepared for the interest on fixed deposit.

**(K) Conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.9</b>	Name	Initial
<b>Topic</b>	<b>Other Financial Assets</b>	Prepared	C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T
<b>Task</b>	<b>Statutory Audit</b>	Approved	A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>		

*(Following draft may be used as an example)*

**Background:**

**Other Financial Assets of XYZ Company Private Limited consists of**

- a) Fixed Deposits with banks with maturity of 12 months
- b) Others

**Procedures Planned:**

1. Verify FD movement chart along with interest working.
2. Obtain and verify FD copies and bank confirmations. Compare the balances with previous year end and enquire into major variances.
3. Obtain schedule for other financial assets like security deposits etc.
4. Obtain relevant supporting documents for others category of other financial assets etc.

**Procedures done:**

- 1) Verified FD movement chart along with interest working.
- 2) Obtained and verified FD copies and bank confirmations.
- 3) Obtained list of other financial assets like security deposits etc.

**Observations:**

- All papers are in order and matching with financial statements lead schedule.

**Conclusion:**

- On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.



## Audit Working Paper Templates

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<b>Chapter</b>	<b>3.10</b>		Name	Initial
<b>Topic</b>	<b>Share Capital</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### Background

XYZ Company Private Limited (“the Company”), incorporated on xxxxx is domiciled in India. This company is a wholly owned subsidiary of XYZ corporation ..... The company is engaged in the business of manufacturing and selling in India and also exporting to various jurisdictions like.....

### Objective

To understand and verify the overall compliance and procedure mentioned under the Companies Act, 2013. Further to review the value of share from the certified report made available to us.

### Facts

During the year following developments have taken place

1. There was no increase in authorized share capital from XXX,000,000 shares of Rs. 100/- each.
2. Opening balance of share capital was INR XXX (YYY number of shares)
3. Closing balance of share capital was INR XXXX (YYY number of shares)
4. There was increase in share capital with INR XX (YYY number of shares)

### Audit Procedures performed.

1. Obtained a lead schedule of share capital for the year ended March 31, 2xx3.
2. Verified MCA master data records to check the accuracy of authorized and issued share capital.
3. Obtained ordinary resolution at Extraordinary General Meeting with respect to increase in authorized share capital.
4. Obtained the list of shareholders as on March 31, 2xx3.
5. Obtained list of promoter shareholders as on March 31, 2xx3.
6. Obtained share valuation report and assumptions verified thereof.
7. Obtain a list and copies of share certificates in respect to which shares issued during the year ended March 31, 20x3.
8. Circulated and received direct external confirmation from the shareholders.
9. Reviewed presentation and disclosures in the schedule of Balance Sheet and Notes to Accounts of the financial statement drafts provided by the company.

### Conclusion

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.11</b>		Name	Initial
<b>Topic</b>	<b>Other Equity</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose:**

The purpose of this workpaper is to check the other equity of the company.

**Procedure planned:**

- 1) Verify the retained earning balance with previous period financial statements.
- 2) Check whether the undistributed profit /loss transferred in the current financial year.
- 3) Check whether during the year there is any effect of buy-back, re-issue of shares on premium, revaluation reserve.
- 4) Check whether any shares has been issued to employees under ESOP's as per Ind AS 102.

**Procedures done:**

- 1) The retained earning balance is verified.
- 2) Statement of Profit and Loss is checked whether current financial year amount is transferred correctly.
- 3) The impact of any buy-back, reissue of shares on premium and revaluation reserve is accounted for.
- 4) Whether ESOP's given to employees are in line with Ind AS 102.

**Conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.12</b>		Name	Initial
<b>Topic</b>	<b>Loans and Borrowings</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background:**

XYZ Company Private Limited (The company) is incorporated under the provisions of the Companies Act 2013 and is engaged in the establishment of hospital project at \_\_\_\_\_. The company is in the need of funds for the same for which the company has taken secured loan from banks during the FY xx-xx.

**Objective**

The objective of this work-paper is to provide a brief understanding for the loans taken by the company during the year and the procedures performed by us in the capacity of the statutory auditors of the company.

**Overview:**

The Company is engaged in the establishment of hospital project at \_\_\_\_\_. The company is in the need of funds for the same for which the company has taken secured loan from during the FY xx-xx.

**Understanding of the Types of Loans:**

The company has taken loans from basically two main sources:

- **Secured loans.**

Secured by way of charge on all the PPE, comprising of all moveable and mortgage of leasehold land of the company. The principle is repayable in 36 monthly instalments starting from April 15, 20xx. However, the payment of interest is made on monthly basis @9.5%.

- **Unsecured Loans**

Unsecured Loans have been taken by the company from its related parties on the basis of the unsecured loan agreements entered between them.

**Details of the Loans Taken during the Year:**

The Company has taken a Loan during the year amounting to INR....., for the establishment of Hospital project at \_\_\_\_\_.

The disbursement of the loan is made on the basis of the capital expenditure certificate issues by the statutory auditors. The disbursement of Rs. ... crores have been made during the FY xx-xx.

**Purpose of the Loan:**

The Term Loans from the banks have been taken for the following purpose:

As per the terms of the sanction letter of the loans is taken by the company for setting up of 150 bedded multispecialty hospital.

**Work Done**

**(A) Kick-off Procedures**

- Obtained the trial and the ledger for the caption borrowing.
- Obtained the loan sanction letter and the loan agreement for the loans disbursed during the year.
- Obtained an understanding for the purpose for which the loans have been taken.
- Obtained the interest working and the working for the repayments as per the loan schedule.
- Obtained the unsecured loan agreements for the loans taken from the related parties.
- Obtained the bank statement and the loan statement for the FY xx-xx.
- Obtained the Board resolution mentioning the purpose and details of the loans along with the authorised representative of the Company for obtaining loan.
- Checked (in case of Credit Facility) the stock statements submitted with the bank are in agreement with the books of account.

**(B) Verification for the Purpose of Loan taken**

- The Purpose for which the Loan was taken has been verified. The Loan has been taken for the construction of the Multispecialty hospital at \_\_\_\_\_.
- The agreement for the same been duly verified.
- The certificate for the capital expenditure is issued on verification of the capital expenditure.

**(C) Utilization of the Loan for the desired purpose:**

The loans taken from bank is utilized for the purpose for which the loan has been taken. The capital expenditure incurred for the construction of the hospital has been verified.

## Audit Working Paper Templates

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<b>Chapter</b>	<b>3.13</b>		Name	Initial
<b>Topic</b>	<b>Finance Cost</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Background:**

Finance Cost of XYZ Company Private Limited India consists of:

- 1) Interest Expense on
  - a) Unwinding of discount on decommissioning provision
  - b) Lease Liability
  - c) Interest on External Commercial Borrowing (ECB)
  - d) MSMED
  - e) Local Borrowings
- 2) Exchange Differences arising from foreign currency borrowings to the extent that they are regard as an adjustment to Interest Cost

### **Procedures Planned:**

- 1) Obtain decommissioning working and verify the same.
- 2) Obtain Ind AS 116 working along with the rent agreements.
- 3) Obtain Loan repayment schedule and interest schedule along with the supporting for the same.
- 4) MSME interest computation
- 5) Obtain interest schedule.
- 6) Obtain and verify the schedule with the loan agreements.
- 7) Obtain the forex fluctuation working and verify the same.

### **Procedures done:**

- 1) Obtained and verified that the unwinding of decommissioning provision has been made in accordance with Ind AS 116.
- 2) Obtained and verified that the interest expense has been computed in accordance with Ind AS 116 working.
- 3) Obtained the loan repayment schedule.
- 4) Verified the interest schedule for ECB and reperformed the calculations.
- 5) MSME interest computation working verified.
- 6) Obtained interest schedule and reperformed calculations for interest computation.
- 7) Verified the schedule with the loan agreements and sanction letters.

- 8) Interest rates considered during the year verified from the syndicated interest rates issued by the banks and forex fluctuation working verified.

**Conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

## Audit Working Paper Templates

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<b>Chapter</b>	<b>3.14</b>		Name	Initial
<b>Topic</b>	<b>Lease liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Purpose:**

The purpose of this workpaper is to verify the leases obtained by XYZ Company Private Limited

### **Procedures Planned:**

1. Check the point of time on which the payment for leases is to be made (Beginning or end).
2. Check whether there is any:
  - Increase in rental during the period.
  - Period for which the effect of increase in rentals
3. Period for which lease is entered.
4. Discounting rate used at the time of initial recognition of ROU assets and lease liabilities.
5. At the time of initial recognition, the ROU assets and lease liabilities should be reconciled.
6. ROU assets should be written off on SLM basis over the lease period.
7. Check whether interest on lease liability is charged on closing balance.
8. At the end of lease period, ROU assets and lease liability should be turned 'NIL.'

### **Procedures done:**

1. Period for which journal entry passed has been verified based on the date of entry.
2. Checked the nature of expenditure/income & effect of the same on prior period financial statements.
3. The lease liability has been verified on the basis of GL effecting the financial statements.
4. Checked the lease liability based upon the journal entry date mentioned in narration.
5. Specific Invoice number has been verified on sample basis & effect of the same on the Income/Expenditure & Asset/Liabilities has been reconciled.

### **Observation and conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.15</b>		Name	Initial
<b>Topic</b>	<b>Trade payables</b>	Prepared		C
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed		T
<b>Task</b>	<b>Statutory Audit</b>	Approved		A
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background:**

XYZ Company Private Limited (The company) is incorporated under the provisions of the Companies Act 2013, to carry on business of manufacturing, buying, selling, processing, importing, exporting and trading in all type of grocery, food, food product, dairy product, bakery and confectionary product whether as owner, co-owner, joint venture, operator, franchisee or any other business model. The company is engaged in the process of supplying raw materials of food, food product, dairy product, bakery, and confectionary product.

**Structure:**

The structure of the company is such that the company purchase raw material from the outside parties as per the requirement raised by the customer (majorly the related parties) and supply the products to the related parties, who further process the same and supplies the food.

**Purpose:**

The purpose of this work paper is to document the overall work done on trade payables.

**Work Done:**

**(A) Kick-off Procedures**

- The list of the creditors during the year was obtained along with the ageing schedule.
- The list of trade payables party wise balances obtained classifying between disputed and undisputed and MSME and Non-MSME.
- The ledger dumps of the parties were obtained.
- The list of the parties to whom confirmations shall be sent, on the basis of the significance of the balances were identified.
- The aging of trade payables was not provided by the client, however the same was extracted from the accounting software.

**(B) Assertions and Potential misstatements**

Assertion	Potential misstatements	How the same was checked
Existence & Occurrence	To establish the existence of trade payables and other current liabilities in the books and in actual as at the period end.	1) While checking the purchases and expenses, accounting entries in respect of crediting the party account was checked to ensure correct recording of trade payables.



## Audit Working Paper Templates

		<p>2) The total trade payables balance from the aging is reconciled with the general ledger.</p> <p>3) <b>Direct confirmation procedures</b></p> <p>The standard confirmations were sent to the parties in order to confirm the amount of trade payables as at the end of the reporting period.</p>
Completeness	Trade payables and liability Balances that were supposed to be recorded have been recognized in the financial statements.	The cut off procedures were performed to reach on to a conclusion regarding the completeness of the balances at the year end. The invoices received closer to the reporting date, were reviewed if the risks and rewards have been transferred in favour of the entity.

### (C) Analysis:

Analysis of Trade Payables has been done according to two basics:

1. Total trade payable variance analysis
2. Total trade payable analysis

This procedure was performed along with the analytical procedures performed for the other balance sheet and P/L items.

### (D) Confirmation Control Chart

External Confirmations have been sent to the parties to confirm that the closing balances as per parties are in agreement with that of the books of account of the company. Confirmations have been sent to all the parties. The provisions as mentioned in SA 505 have been duly followed. As this is received directly from third party it increases the reliability of audit evidence and becomes an important audit procedure. Confirmation tracker for the same has been maintained.

### (E) Subsequent status

Considering the ambience of the parties, the parties did not respond over mail or to the confirmations sent to them in the hard copy. Hence, to verify the authenticity of the balances the subsequent status was verified.

### (F) Balance Confirmation Reconciliation

This procedure is to be only performed when there is a difference between amount sent for balance confirmation and the balance confirmed.

### Conclusion:

Confirmation was not received from many parties, however the same was concluded through the subsequent checking.

<b>Chapter</b>	<b>3.16</b>		Name	Initial
<b>Topic</b>	<b>Other Financial Liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background:**

**Other Financial Liabilities includes:**

- a) Lease Liability
- b) Interest accrued but not due on borrowings.
- c) Security deposits

**Procedures Planned:**

- 1) Obtain and recompute working of lease liability as per Ind AS 116/AS 19
- 2) Obtain lease agreements and verify lease terms.
- 3) Verify assumptions used in working.
- 4) Verify lease terms of other Lease agreements on sample basis which are not covered in lease liability.
- 5) Obtain interest accrued working and map the same with the borrowing agreements.
- 6) Verify agreements on sample basis on the basis of schedule provided and verify bifurcation between Current & Non-Current security deposit.
- 7) Verify the discounting rate used for discounting of lease rentals and security deposits.

**Procedures done:**

- 1) Obtained the working of lease liability.
- 2) Obtained the lease agreements.
- 3) Recomputed the lease liability in accordance with the agreement and provisions of Ind AS 116/AS 19.
- 4) The variances were rectified through adjustment entries.
- 5) Obtained interest accrued working and map the same with the borrowing agreements.
- 6) Verified agreements on sample basis on the basis of schedule provided and bifurcation between Current & Non-Current Security Deposit.

**Observations & Conclusion:**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>3.17</b>		Name	Initial
<b>Topic</b>	<b>Tax Liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Procedures Planned:**

1. Obtain Form 26 AS and reconciliation of the same with books of account
2. Refund to be mapped from refund order and reconciled with books of account
3. Tax demand to be mapped from assessment orders or tax portal and reconciled with books of account.

**Procedures done:**

1. Reconciled the Form 26 AS with books of account
2. Refund mapped from refund order and reconciled the same with books of account
3. Tax demand has been mapped from Assessment orders or tax portal and the same is reconciled with books.

**Observations and conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.18</b>		Name	Initial
<b>Topic</b>	<b>Other Current Liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose: -**

The purpose of this workpaper is to verify the correctness of other current liabilities.

**Procedures Planned: -**

1. Check and verify TDS and GST returns.
2. Map sales with the GST outward liability.
3. Check labour law compliances with challans and books of account.
4. Obtain list of customers from whom advances have been received.
5. Obtain the working for the computation of distributor promotion schemes and verify the claims made by the distributors.
6. Check whether all the statutory dues have been paid within the statutory timelines.

**Procedures Performed: -**

1. Checked and verified TDS and GST returns and challans.
2. Mapped sales with the GST outward liability.
3. Checked and verified PT, ESIC and LWF returns & challans reconciled the dues payables with the books of account.
4. Obtained the list of customers from whom advances have been received and verified the ageing for the advances received.
5. Obtained details of the provision made in respect of the distributor schemes run by the company during the year.
6. Obtained approvals for the provision made in respect of the expenses for digital marketing.
7. Verified and checked the unit wise and zone wise provision made in respect of the expenses for the month of March 20xx.
8. Checked that all the statutory dues have been deposited within the statutory timelines.

**Observations and Conclusion:**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.19</b>		Name	Initial
<b>Topic</b>	<b>Deferred Tax Liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose: -**

The purpose of this workpaper is to verify the calculation of deferred tax liability. Deferred tax liability is created when a tax obligation is accumulated in one financial year but is due in the subsequent years. A deferred tax liability arises due to the difference in timing between when the tax was accrued and when it is due to be paid.

**Procedures Planned:**

1. Calculate the book value, which is the carrying amount, accordingly, using respective Ind AS/ AS of assets and liabilities.
2. Calculate the tax base for assets and liabilities.
3. Calculate the temporary difference.
4. Calculate deferred tax asset (DTA) or calculate deferred tax liability (DTL).
5. Recognize it in the statement of profit and loss (P&L) or Statement of Change in Equity (SOCIE), as the case may be.

**Procedures Performed:**

1. Book value is calculated as per Ind AS/AS
2. The tax base is calculated.
3. Timing differences are calculated.
4. Deferred Tax Asset or Deferred Tax Liability calculated.
5. The amount of DTA/DTL is properly recognised in statement of profit and loss.

**Observations and Conclusion:**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>3.20</b>		Name	Initial
<b>Topic</b>	<b>Revenue from Operations</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose:**

The purpose of this workpaper is to verify the measurement and recognition of revenue, its incidence of recognition and relevant estimates and assumptions required to compute the revenue recognised during the year.

**Procedures Planned:**

- Obtained the ledger dump for revenue from sale of goods and sale of services recorded by the company during the period.
- Obtained the revenue contracts for determining the incidence of revenue, performance obligations and transaction price for measurement of revenue.

**Analytical Review:**

- Prepare TOC (Test of controls) and TOD (Test of Details)
- Verify the totals of each category of goods and services.
- Verify the value of revenue recognised during the year and compare with previous years.
- Analyse the revenue using ratios as the parameter of measure.
- Ascertain changes in the business model as discontinuance of product line or operations in a unit.

**Test of Details:**

**Overall Testing – Revenue from operations**

- Verify and testing the sample invoices with all supporting documents.
- Verify the significant increase or decrease in revenue at or near the balance sheet date.
- Verify sales returns by customers have been adjusted in revenue ledger and inventory.
- Outward movements in quantity are matched as per sales dump and inventory register.
- Verify sales of goods and services are reconciled with taxes returns.
- In case of Ind AS, revenue recognition criteria is fulfilled as per Ind AS 115 like Identification of Contract, Determining of performance obligation, Measurement of Transaction Price, Allocation of Transaction price to various performance obligations, Recognition of revenue over the period of time or at a point in time.
- Verify sample invoices that condition for identifying a contract with customers has been satisfied.
- Verify that performance obligation is at a point in time/ or over time and revenue is recognised accordingly.

### **Audit Working Paper Templates**

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- Verify the process of determination of transaction price and allocation of transaction price to performance obligation.
- Verify unbilled revenue or deferred revenue recognition applying subsequent testing procedure.
- Verify the transactions relating on exchange or barter basis.
- Verify sequence of invoice series issued or cancelled during the period.
- Ensure that recorded revenue transactions are pertaining to the relevant year of audit.
- Verify that revenue cut off procedures have been applied accurately.

#### **Records/ Documents to be verified:**

- Revenue budgets.
- Revenue recognition policies.
- Invoices, Debit notes, Credit notes, delivery challans, E way bills.
- Contract with customers etc.

#### **Observations and Conclusion:**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	3.21		Name	Initial
<b>Topic</b>	<b>Other Income</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

S. No	Description		Audit Procedure	Assert-ions	Yes /No/ NA	Check- ed By	Remarks
1	<b><i>Kick Off Procedures</i></b>	a	Obtain/ Prepare the Lead Schedule for Other Income				
2	<b><i>Classification</i></b>		<b>Other Income</b>				
		a	Interest income				
		b	Dividend income				
		c	Net gain from sale of investment/PPE				
		d	Other non-operating income				
3	<b><i>Test Details of</i></b>	A	<b>Overall Testing</b>				
		i	Ensure that recorded revenue transactions are pertaining to the relevant year of audit	CO			
		ii	Ensure that there are no unrecorded transaction (Error of Omission) and inaccurate transactions (Error of Commission) by scrutinising all the receipts	A			
		iii	Ensure that the transactions pertaining to a period are recorded in the same period of audit by verifying the fixed deposits receipts, dividend warrants, receipt on sale of asset for few days immediately before and after year end	CO			



**Audit Working Paper Templates**

		iv	Examine whether revenues are booked on an accrual basis based on prudence	C			
		<b>B</b>	<b>Interest Income</b>				
		i	Verify the interest earned from the relevant investments by checking the accuracy of the computation	A			
		ii	Verify the fixed deposits certificate or other interest-bearing bonds to confirm the rate of interest and period of deposit	O			
		iii	Verify the fixed deposit receipts from banks	E			
		iv	Verify the interest on default in payments and ensure compliance of agreement with customers	C			
		v	Ensure interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate of interest	V			
		<b>C</b>	<b>Dividend Income</b>				
		i	Verify the dividend warrants to check the accuracy of dividend Income	A			
		ii	Verify the dividend received from Subsidiary Companies, Joint Ventures and Associates and ensure appropriate treatment	C			
		iii	Ensure that dividend income is accrued only when the right to receive dividend is established	RO			
		<b>D</b>	<b>Net gain from sale of Investment/PPE</b>				

		i	Verify the gain on sale of PPE with reference to relevant working papers of the PPE schedule	A			
		ii	Verify the Sale of investment with reference to its market value and ensure compliance of Accounting Standard 13, 'Accounting for investment'	A			
		E	<b>Others</b>				
		i	Verify whether the Exchange gain computed are accurate in case of foreign exchange fluctuation from non operating assets and liabilities viz Loans, Creditors for PPE etc.;	V/A			
		ii	Income from Royalties shall be verified from the related agreements entered between the parties and ascertain whether the royalty income is as per the terms and conditions of such agreements	O/C			
		iii	Verify the nature of grant received and ensure that the conditions attached to such grants are fulfilled by verifying the relevant documents. Ensure appropriate disclosure in the financial statement	A/C/P D/V			
		iv	Verify the rental agreement and ensure that the terms and conditions are in agreement.	RO			
		v	Verify the rental receipts and trace them to the general ledger	A			
4	<b>Presentation and Disclosure</b>	a	Other income is properly described and classified and adequate disclosures with respect to these amounts have been made.	PD/CI			
		b	Ensure separate disclosure of Dividends from Subsidiaries	PD			

	<b>Legend</b>	<b>Assertions</b>
	<b>C</b>	Completeness
	<b>A</b>	Accuracy
	<b>E</b>	Existence
	<b>RO</b>	Rights and Obligations
	<b>CO</b>	Cut-off
	<b>PD</b>	Presentation and Disclosure
	<b>CI</b>	Classification
	<b>O</b>	Occurrence
	<b>V</b>	Valuation
	<b>AI</b>	Allocation

<b>Chapter</b>	3.22		Name	Initial
<b>Topic</b>	Inventory	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

*(Following draft may be used as an example)*

**Background:**

**XYZ Company Private Limited** (The company) is incorporated under the provisions of the Companies Act 2013, to carry on business of manufacturing, buying, selling, processing, importing, exporting and trading in all type of grocery, food, food product, dairy product, bakery and confectionary product whether as owner, co-owner, joint venture, operator, franchisee or any other business model. The company is involved in the sale of food items to its Group Companies, who ultimately prepare the food and supply.

**Purpose:**

The purpose of the workpaper is to document the work done on the inventory of XYZ Company Private Limited.

**Work Done:**

**(A) Kick-off Procedures**

- a) Obtained the signed stock verification sheet of the company conducted at the subsequent dates.
- b) Obtained the stock summary of the company from the accounting software.
- c) Gained information regarding the method of valuation of stock from the accounting policies.

**(B) Analysis:**

**Variance Analysis**

Particulars	As at 31 <sup>st</sup> March, 20xx (previous)	As at 31 <sup>st</sup> March, 20xx	Remarks
Stock in Trade/Purchases			

**(C) Valuation**

- As per AS 2/Ind AS 2, inventories should be valued at cost or net realizable value, whichever is lower.
- As per the accounting policies of the company the stock of the company is valued by using the weighted average method of stock valuation.
- The valuation of the stock has been verified for four stores and the same has been found in line with the company's policies.

**(D) Physical stock Count**

The physical stock count of the stock was conducted by the management at the balance sheet date.

**(E) Roll backward procedures.**

The roll backward procedures are performed on sample basis to verify that the quantum and amount of inventory valued as at 31<sup>st</sup> march is accurate.

The management has not provided the working for the roll backward procedures hence we have performed the same for two store locations and verified the same accordingly.

**(F) Subsequent checking for the Physical Movement of the Goods.**

The subsequent movement in the goods is observed majorly during the month of May – June that the stock at various store locations was either subsequently sold or transferred to various locations. The movement for the same was verified through the E-way bills and the major movement in the stock was traced through the same.

**(G) Conclusion**

- The valuation of the goods has been done as per the accounting policies followed by the company.
- The subsequent movement of the goods has been verified through the subsequent procedures performed.

<b>Chapter</b>	<b>3.23</b>		Name	Initial
<b>Topic</b>	<b>Employee Benefits</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service.

The Company’s contributions to the Provident Fund and Employee’s State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

**Procedure planned:**

1. Verify the list of employees on the payroll of the company as on March 31, 20xx.
2. Verify the salary of all employees from the appointment letters maintained by the organization.
3. Verify the employees who joined or left the organization.
4. Verify bonus, leave encashment, overtime & commission paid (if any).

**Procedures done:**

1. Obtained the list of employees on the payroll of the company as on March 31, 20xx.
2. Verified the salary of all employees from the appointment letters/reviewed salaries and salary sheets maintained by the organization.
3. Verified the salary for the financial year 20X0-X1 from the salary sheet to the journal entries.
4. Verified bonus & overtime paid for the financial year 20xx-xx.
5. Obtain supporting for the outstanding balance payable to employees.
6. Checked the actuarial valuation for gratuity payable to employees.
7. Send the employee confirmation to sample employees to check for the ghost employees.

**Observations and conclusion**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

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<b>Chapter</b>	<b>3.24</b>		Name	Initial
<b>Topic</b>	<b>Expenses</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Background:**

Total expenses incurred by XYZ Company Private Limited during the year was: Rs. ....

### **Procedures Planned:**

1. All the payments have been duly authorized by a competent authority.
2. Ensure that all payments relate to business.
3. Ensure that all payments have been received by the correct payee and acknowledged by a receipt note or in the voucher itself.
4. See that expenses relate to the period under audit.
5. Ensure that no personal expenses are charged as business expenditure.
6. See the mode of payment cash, cheque etc. and relate to corresponding entry in cash or bank book.
7. Ensure that if any payment relates to the period that extends to next year, a proportionate amount is carried forward as pre-paid expense.

### **Procedures done:**

1. Selected sample of vouchers to be checked.
2. Checked agreement and invoices for the service received.
3. Verified the sample selected with vouchers.
4. Checked the authorization and nature of expenses.
5. Examined the TDS compliance of respective entries booked.
6. Examined whether the expenses are booked in the correct heads as per the nature of expenses incurred.

### **Observation and Conclusion:**

On the basis of audit procedure, we reach to a conclusion that nothing adverse was observed for auditors to write any significant observation.

## **Chapter 4: Other Procedures**

- 4.1 Going Concern
- 4.2 Laws and Regulations
- 4.3 Subsequent Events
- 4.4 Related Party Transactions
- 4.5 Internal Control over Financial Reporting (ICFR)
- 4.6 Journal Entries
- 4.7 Contingent Liabilities
- 4.8 Use of Work of Experts
- 4.9 Work of Internal Auditors
- 4.10 Secretarial Compliances
- 4.11 ESOPS





<b>Chapter</b>	<b>4.1</b>		Name	Initial
<b>Topic</b>	<b>Going Concern</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**GOING CONCERN:**

The enterprise is normally viewed as going concern, i.e. continuity in operations for the foreseeable future.

It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing the scale of its operations.

The appropriateness of the going concern assumption is to be considered at the time of planning and performing the audit procedures.

<b>S. No</b>	<b>Description</b>	<b>Working</b>	<b>Findings by audit team / Response from management</b>
1	Review if there are indicators that may cast significant doubt on applying the going concern assumption [Refer para A3 of SA 570 and chapter 3 of Implementation Guide to SA 570(Revised)]		
I	Is the net worth of the concern negative?	Annexure 1	
II	Does the concern use long term borrowings to fund their short-term requirements?	Annexure 2	
III	Whether the key financial ratios of the concern are adverse? (Current Ratio, Debt Equity Ratio, Net Profit Ratio, EPS, Return on Equity etc.)	Annexure 3	
IV	Whether the concern has suffered substantial operating / cash losses in the previous years?	-	
V	Is there a steady decline in the rate of profitability of the concern?	Annexure 4	
VI	Is there substantial negative cash flows from the operations of the concern?	Annexure 5	
VII	Whether the declaration and payment of dividends are regular or are there any arrears or discontinuance		

**Audit Working Paper Templates**

	in payment of dividends?		
VIII	Is the concern regular in paying its creditors on due dates?		
IX	Whether the concern has complied with the terms of its loan agreements with regard to payment of interest and principal on due dates?		
X	Are there substantial loans from directors (in case of small concerns)?		
XI	Has the concern entered into any scheme of arrangement with the creditors for reduction of liability?		
XII	Check if there has been any loss of Key Managerial Personnel without any replacement?		
XIII	Whether the concern has suffered loss of major market, franchise, licence, or any major supplier, etc. and no alternative measures have been taken (E.g.: loss of principal supplier mitigated by shifting to new supplier, etc.)		
XIV	Has the concern complied with all necessary statutory compliances?		
XV	Whether any change in Government policy has affected/is likely to affect the concern?		
XVI	Whether the assumptions underlying the forecast appear appropriate in circumstances? (Compare the prospective data for recent periods with historical results)		
XVII	Was there any substantial loss of any plant and machinery which forms an important part in functioning of business of the concern?		
XVIII	Whether the management has got any of the following plans for future actions:		
	(a) to liquidate any assets -		
	(b) to borrow money or restructure any debt -		
	(c) to delay any expenditure -		
	(d) to increase its capital -		

2	If there are indicators that may cast significant doubt on going concern assumption, review business plan and projected future cash flow by understanding the assumption, reasonableness of assumptions and assess possibility of turnaround based on which accept using going concern assumption for balance sheet preparation.		
2.1	Audit evidence to be obtained to establish the fact that these plans are feasible, and are likely to be implemented and the outcome of these plans will improve the situation & also seek management representation wherever required regarding these plans		
	Additionally, auditors are required to evaluate the adequacy of disclosures when no material uncertainty exists.		
	<b>CONCLUSION:</b>		

**Annexure 1**

<b>Calculation of Net worth of the Company</b>			
<b>Net Worth</b>			
<b>Particulars</b>	<b>Year 20xx</b>	<b>Year 20xx</b>	
Share Capital			
Reserves and Surplus			
<b>Net Worth</b>			
<b>Work Done:</b>	Computed the net worth & the working capital of FY 20xx & 20xx & compared the same in line with going concern assumption		
<b>Source:</b>	Signed Financial Statements of FY 20xx-xx		
<b>Auditors Conclusion: Refer SA 570(Revised)</b>			
The auditor shall evaluate whether sufficient appropriate audit evidence has been obtained regarding, and shall conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements. Based on the audit evidence obtained, the			

**Audit Working Paper Templates**

<p>auditor shall conclude whether, in the auditor’s judgment, a material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the entity’s ability to continue as a going concern. A material uncertainty exists when the magnitude of its potential impact and likelihood of occurrence is such that, in the auditor’s judgment, appropriate disclosure of the nature and implications of the uncertainty is necessary for:</p> <p>(a) In the case of a fair presentation financial reporting framework, the fair presentation of the financial statements, or</p> <p>(b) In the case of a compliance framework, the financial statements not to be misleading.</p>			
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**Annexure 2**

Particulars	Year 20xx	Year 20xx
Non-Current assets		
Long-term borrowings		
<b>Assets/Debt (Times)</b>		

**Work Done:** Computed the Non-Current Assets to Long-term borrowings of FY 20xx & FY 20xx & Compared the same in line with going concern assumption

**Source:** Signed Financial Statements of FY 20xx

**Observations:**

**Annexure 3**

**Calculation of ratios**

S.no	Particulars	Working	Industry Standard	Amount		Ratio		Remarks
				20xx	20xx	20xx	20xx	
	<b>Solvency Ratios</b>							
1	Current ratio	Current assets	between 1.5 and 3					
		Current liabilities						
2	Quick ratio	Liquid assets						
		Inventory						
		Prepaid expenses						
		Current liabilities						
3	Debt Equity ratio	Debt	02:01					
		Equity						
	<b>Profitability Ratios</b>							
1	Net Profit Ratio	Revenue from operations						
		Profit after Tax						
2	Return on Equity	Earnings before Interest and Tax						
		Shareholders' Funds						

**Annexure 4**

**Calculation of Profitability**

Year	20xx	20xx
Revenue from operations		
Profit after Tax		
Profitability		

**Work Done:** Calculation of profitability of the business to check if negative.

**Source:** Signed Financial Statements of FY 20xx-xx

**Observations:**

**Annexure 5**

**Analysis of Cash flows of the entity**

<b>S. No</b>	<b>Particulars</b>	<b>20xx</b>	<b>20xx</b>	<b>20xx</b>
1	Cash flow from operating activities			
2	Cash flow from investing activities			
3	Cash flow from financing activities			
	<b>Net increase/(decrease) in cash and cash equivalents</b>			

**Work Done:** Analysis of cash flows of the current year and previous year

**Source:** Signed Financial Statements of FY 20xx-xx

**Observations:**

<b>Chapter</b>	<b>4.2</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Laws and Regulations</b>	<b>Prepared</b>		<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>		<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>		<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**List of significant Laws and Regulations**

The following are the significant laws and regulations that are applicable to the entity:

- Companies Act, 2013
- Central Goods and Service Tax, 2017
- State Goods and Service Tax, 2017
- Integrated Goods and Service Tax, 2017
- Foreign Exchange Management Act, 1999
- Income Tax Act, 1961
- Customs Act, 1962
- Provision for Gratuity Act, 1972
- The Employees Provident Fund & Miscellaneous Provision Act, 1952

(Other Laws and Regulations may be added as appropriate)



## Audit Working Paper Templates

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<b>Chapter</b>	<b>4.3</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Subsequent Events</b>	<b>Prepared</b>	<b>C</b>	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	<b>T</b>	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	<b>A</b>	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **A. Background:**

The purpose of this work paper is to document the procedures adopted in checking for subsequent events as per Standard on Auditing (SA) 560 issued by ICAI, document key observations, if any and, form conclusions as to the adjusting or non-adjusting nature of the event in order to conclude that if any event needs to be adjusted or disclosed in the financial statements ended 31<sup>st</sup> March, 20xx.

### **B. Objective:-**

To understand the subsequent events that could have an impact on the financial statements for the period ended March 31, 20xx.

### **C. Audit Procedure:**

The procedures planned in respect to check the above are listed down below:

1. Examine the minutes of meetings of Board and members.
2. Enquire whether there are new litigations, acquisition of new assets, etc.
3. Obtain written representations that all events occurring subsequent to the period end which need adjustment or disclosure have been adjusted or disclosed.

### **D. Conclusion**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>4.4</b>		Name	Initial
<b>Topic</b>	<b>Related Party Transactions</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Background:**

**XYZ Company Private Limited** (The company) is incorporated under the provisions of the Companies Act 2013, to carry on business of manufacturing, buying, selling, processing, importing, exporting and trading in all type of grocery, food, food product, dairy product, bakery and confectionary product whether as owner, co-owner, joint venture, operator, franchisee or any other business model. The company is involved in the sale of food items to its group companies, who ultimately prepare the food and supply.

**Purpose:**

The purpose of the workpaper is to justify the existence and ensure the completeness of the related party transactions as per list of the related parties provided by the management.

**List of Related Parties (Refer to Standards on Auditing, Companies Act and SEBI Regulations)**

Name of Related Party	Relationship

**Variance analysis:**

There have not been any additions in the List of the related parties during the year. However, the transaction with them varies.

**Transactions with Related Parties:**

Name of the Related Party	Nature of Transaction	Variance	Reasons

**Work done:**

- The list of related parties was obtained during the year.

## Audit Working Paper Templates

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- The confirmations from the related parties were obtained during the year.
- For accounts receivable balances – examining specific subsequent cash receipts, shipping documentation, and sales near the period-end.
- For accounts payable balances – examining subsequent cash disbursements or correspondence from third parties, and other records, such as goods received notes.
- The nature and extent of alternative audit procedures are affected by the account and assertion in question. A non-response to a confirmation request may indicate a previously unidentified risk of material misstatement. In such situations, we have revised the assessed risk of material misstatement at the assertion level, and modified planned audit procedures, in accordance with SA 315. For example, fewer responses to confirmation requests than anticipated, or a greater number of responses than anticipated, may indicate a previously unidentified fraud risk factor that requires evaluation in accordance with SA 240.
- The variance analysis of the major transactions was done during the year and the major reasons were identified thereof.
- Procedures for checking arm's length price:
- The arm's length price in relation to an international transaction or specified domestic transaction shall be determined by any of the following methods, being the most appropriate method, having regard to the nature of transaction or class of transaction or class of associated persons or functions performed by such persons or such other relevant factors as the Board may prescribe, namely:
  - (a) comparable uncontrolled price method;
  - (b) resale price method;
  - (c) cost plus method;
  - (d) profit split method;
  - (e) transactional net margin method;
  - (f) such other method as may be prescribed by the Board.

### **Procedures for checking arm's length price:**

We have involved our tax expert to review the arm's length

### **Conclusion:**

On the basis of audit procedure, we found out that nothing adverse was observed for auditors to write any significant observation.

<b>Chapter</b>	<b>4.5</b>		Name	Initial
<b>Topic</b>	<b>Internal Control over Financial Reporting</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose:**

This workpaper is designed to understand Internal Control over financial Reporting of a Company, its processes and how it is designed. Companies' internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- Provides reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and director of the company.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material impact on the financial statement.

The auditor needs to obtain reasonable assurance to state whether an adequate internal financial control system was maintained and whether such internal financial controls system operated effectively in the company in all material respects with respect to financial reporting only.

- 1 **Procedures Planned and Performed:** The auditor should properly plan the audit of internal financial controls over financial reporting and properly supervise any assistants.
- 2 The auditor should evaluate whether the following matters are important to the company's financial statements and internal financial controls over financial reporting and, if so, how they will affect the auditor's procedures:
  - Knowledge of the company's internal financial controls over financial reporting obtained during other engagements performed by the auditor;
  - Matters affecting the industry in which the company operates, such as financial reporting practices, economic conditions, laws and regulations, and technological changes;
  - Matters relating to the company's business, including its organisation, operating characteristics, and capital structure;
  - The extent of recent changes, if any, in the company, its operations, or its internal financial controls over financial reporting;
  - The auditor's preliminary judgements about materiality, risk, and other factors relating to the determination of material weaknesses;
  - Control deficiencies previously communicated to the audit committee or management by the auditor or the internal auditor;

- Legal or regulatory matters of which the company is aware;
- The type and extent of available evidence related to the effectiveness of the company's internal financial controls over financial reporting;
- Preliminary judgements about the effectiveness of internal financial controls over financial reporting;
- Public information about the company relevant to the evaluation of the likelihood of material financial statement misstatements and the effectiveness of the company's internal financial controls over financial reporting;
- Knowledge about risks related to the company evaluated as part of the auditor's KYC guidelines; and
- The relative complexity of the company's operations.

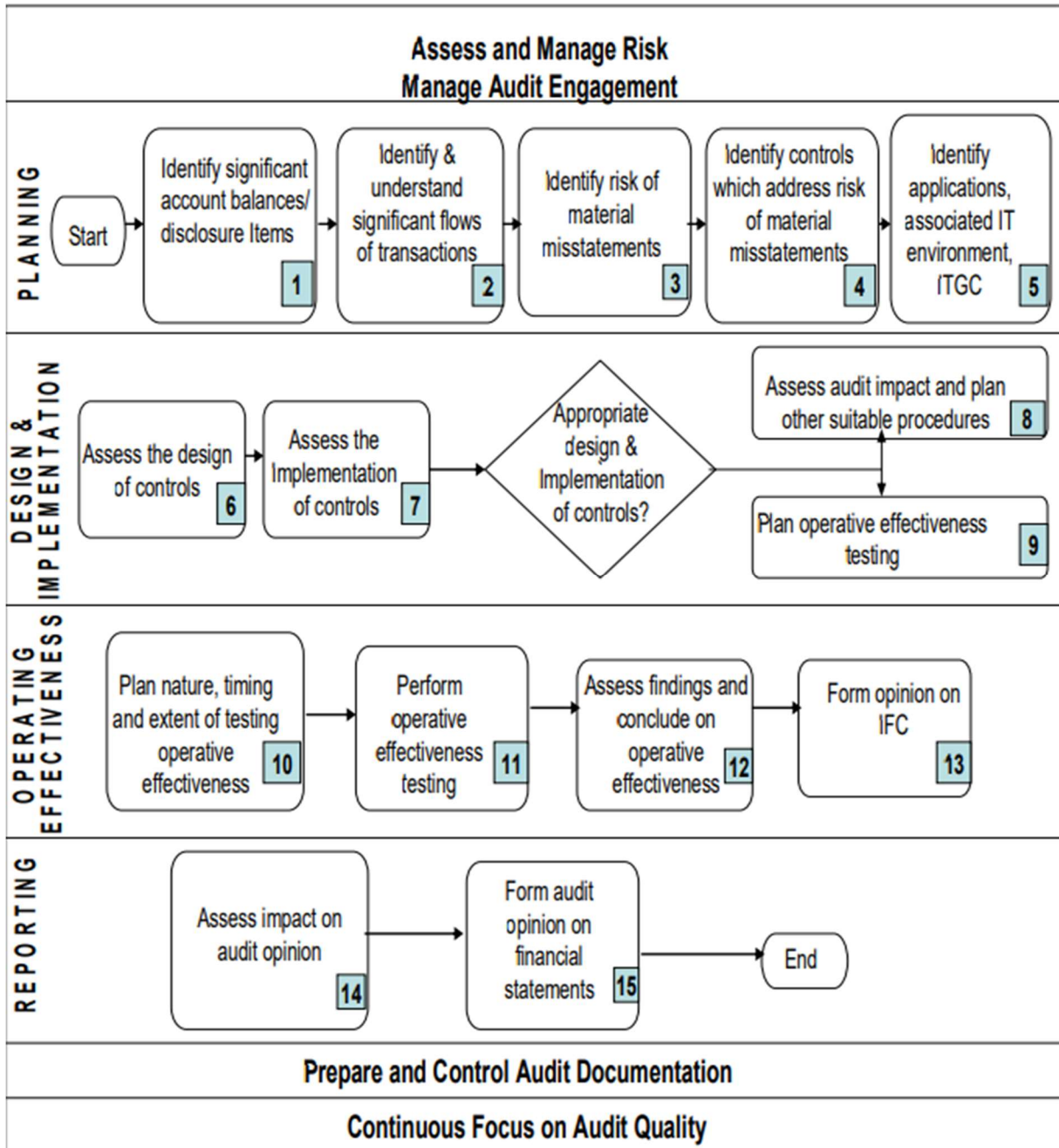
### **Testing controls-testing design effectiveness:**

The auditor should test the design effectiveness of controls by determining whether the company's controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the company's control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements. This would also enable the auditor to conclude if the company has an adequate internal financial control system over financial reporting in place.

### **Testing controls-testing operating effectiveness:**

The auditor should test the operating effectiveness of a control by determining whether the control is operating as designed and whether the person performing the control possesses the necessary authority and competence to perform the control effectively.

Procedures that the auditor performs to test operating effectiveness include a mix of inquiry of appropriate personnel, observation of the company's operations, inspection of relevant documentation, and re-performance of the control.



## Audit Working Paper Templates

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<b>Chapter</b>	<b>4.6</b>		Name	Initial
<b>Topic</b>	<b>Journal Entries</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Background:**

The purpose of this workpaper is to verify the journal entries and check the authenticity of the same on the financial statement.

- a) Make inquiries with financial reporting personnel
- b) Select journal entries and other adjustments at end of the period and
- c) Test journal entries throughout the period

### **Procedures Planned:**

Verification of period for which journal entries have been passed.

When identifying and selecting journal entries and other adjustments for testing and determining the appropriate method of examining the underlying support for the items selected, the following matters are of relevance:

- **The assessment of the risks of material misstatement due to fraud** – The presence of fraud risk factors and other information obtained during the auditor’s assessment of the risks of material misstatement due to fraud may assist the auditor to identify specific classes of journal entries and other adjustments for testing.
- **Controls that have been implemented over journal entries and other adjustments** – Effective controls over the preparation and posting of journal entries and other adjustments may reduce the extent of substantive testing necessary, provided that the auditor has tested the operating effectiveness of the controls.
- **The entity’s financial reporting process and the nature of evidence that can be obtained** – For many entities routine processing of transactions involves a combination of manual and automated steps and procedures. Similarly, the processing of journal entries and other adjustments may involve both manual and automated procedures and controls. When information technology is used in the financial reporting process, journal entries and other adjustments may exist only in electronic form.

The characteristics of fraudulent journal entries or other adjustments – inappropriate journal entries or other adjustments often have unique identifying characteristics. Such characteristics may include entries.

- (a) made to unrelated, unusual, or seldom-used accounts,
- (b) made by individuals who typically do not make journal entries,
- (c) recorded at the end of the period or as post-closing entries that have little or no explanation or description,

- (d) made either before or during the preparation of the financial statements that do not have account numbers, or
- (e) containing round numbers or consistent ending numbers.

**The nature and complexity of the accounts** – Inappropriate journal entries or adjustments may be applied to accounts that:

- (a) contain transactions that are complex or unusual in nature,
- (b) contain significant estimates and period-end adjustments,
- (c) have been prone to misstatements in the past,
- (d) have not been reconciled on a timely basis or contain unreconciled differences,
- (e) contain inter-company transactions, or
- (f) are otherwise associated with an identified risk of material misstatement due to fraud.

In audits of entities that have several locations or components, consideration is given to the need to select journal entries from multiple locations.

**Journal entries or other adjustments processed outside the normal course of business** – Non standard journal entries may not be subject to the same level of internal control as those journal entries used on a recurring basis to record transactions such as monthly sales, purchases and cash disbursements.

The auditor uses professional judgment in determining the nature, timing and extent of testing of journal entries and other adjustments. However, because fraudulent journal entries and other adjustments are often made at the end of a reporting period, paragraph 32(a)(ii) of SA 240 requires the auditor to select the journal entries and other adjustments made at that time. Further, because material misstatements in financial statements due to fraud can occur throughout the period and may involve extensive efforts to conceal how the fraud is accomplished, paragraph 32(a)(iii) of SA 240 requires the auditor to consider whether there is also a need to test journal entries and other adjustments throughout the period.

- Check whether there is effect of the journal entries on prior period financial statement.
- Check the effect of the same on Assets/Liabilities & Income/Expenditure and whether the ledger code and ledger number on which there will be effect of journal entry has been specifically disclosed.
- Ensure that narration of the Journal Entry passed during the year has been specifically mentioned.
- Check whether specific Invoice number is mentioned for such income/expenditure.

**Procedures done:**

1. Period for which journal entry passed has been verified based on the date of entry.
2. Checked the nature of expenditure/income & effect of the same on prior period financial statements.
3. The same has been verified on the basis of GL effecting the Financial Statements. Example-
  - a) Debit Expense
  - b) Credit Party
4. Checked the same based upon the journal entry date mentioned in narration. Example



**Audit Working Paper Templates**

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- a) Debit Bank/Cash
- b) Credit Party

(Being amount received from the XXX Party)

- 5. Specific Invoice number has been verified on sample basis & effect of the same on the Income/Expenditure & Asset/Liabilities has been crossly reconciled.

**Observation and Conclusion: as per findings**

<b>Chapter</b>	<b>4.7</b>		Name	Initial
<b>Topic</b>	<b>Contingent Liabilities</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

This note summarized the major point discussed in the meeting held at xx:xx PM at XYZ's Office.

**Present in the meeting.**

**From XYZ:** SG('SG'), AL ('AL')

**From ABC:** PS ('PS'), SS ('SS'), SN ('SN'), AS ('AS'), SG ('SG').

<b>Inquiry by PS</b>	<b>Response by SG</b>
Nature of contingent liabilities	
Management procedure for the identification and reporting of contingent liabilities	
Movement in contingent liabilities from previous year financial statement to current year financial statement.	

*(Note: This memo attempts to capture the essence of the discussion in a summarized manner. Various other topics were discussed, however, only relevant has been minuted.)*

**Audit Working Paper Templates**

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<b>Chapter</b>	<b>4.8</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Use of Work of Experts</b>	<b>Prepared</b>	<b>C</b>	
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>	<b>T</b>	
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>	<b>A</b>	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Use of the Work of Experts**

Involvement of Expert	
Significant accounts (related to the work of external expert)	
Planned audit procedures	

**Observation and Conclusion**

<b>Chapter</b>	<b>4.9</b>		Name	Initial
<b>Topic</b>	<b>Work of Internal Auditors</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Use of the Work of Internal Auditors**

(Refer para A16 of SA 610 for examples of work of internal audit function that can be used by the external auditor)

Understanding of the internal audit function	
Whether we intend to use the specific work carried by the internal auditors (Apart from review of internal audit reports)?	
If yes, planned audit strategy and procedures	
Whether direct assistance of internal auditors is required for the purpose of audit?	
Conclusion	

**Audit Working Paper Templates**

Chapter	4.10	Name	Initial
Topic	Secretarial Compliances	Prepared	C
The client	XYZ Company Private Limited	Reviewed	T
Task	Statutory Audit	Approved	A
Period	for the year ended March 31, 2xx3		

*(Following draft may be used as an example)*

**Purpose:**

The purpose of this workpaper is to verify all the documents/forms under secretarial compliances required for performing an audit.

**Documents required for records:**

Minutes book of meetings of directors
Minutes books of proceedings of general meeting
Minutes book of creditors meeting
Notices sent to members for general meeting.
Annual Return filed with Registrar of Companies
Return of allotment of shares
Notice of redemption of preference shares, consolidation, division, increase in share capital, cancellation of shares and increase in number of members
Notice of change in situation of registered office
Directors' declaration for interests from all directors of the period.
Directors' declaration u/s 164(2) in prescribed format.
ADT-1 for appointment of auditors
ADT-3 filed for resignation of statutory auditors (if any).
Return of appointment of managing director / whole time/director /manager
Details of registration of charges or satisfaction with Registrar of Companies
Consent to act as director of the company (in the case of public company)
Register of directors' shareholding
Register of deposits.
Register of members along with the allotment letters
Register and index of debenture holders
Register of particulars of contracts in which directors are interested under Section 189 of Companies Act 2013
Register of investments

<b>Chapter</b>	4.11		Name	Initial
<b>Topic</b>	ESOPS	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

*(Following draft may be used as an example)*

**Background: -**

XYZ private limited (“the Company”), incorporated on xxxxx is domiciled in India. This company is a wholly owned subsidiary of XYZ corporation. The company is engaged in the business of manufacturing and selling in India and also exporting to various jurisdictions like.....

**Procedures Planned: -**

- 1) Check the drafting of ESOP.
- 2) Check the Article of Association (AOA) whether AOA is silent on the issue of share to employees under the scheme of ESOP?
- 3) Check whether the Memorandum of Association (MOA) is altered if the MOA does not have the adequate authorized share capital?
- 4) Check whether Board meeting is held?
- 5) Whether ESOP is approved in Board meeting?
- 6) Whether the altered AOA and MOA is approved subject to approval by members in the Extra-Ordinary General Meeting (EGM). If required, check the approval of the draft notice of the EGM.
- 7) Check whether any person is authorised to send the notice of the Extra-ordinary general meeting to all the members of the company.

**Procedures Planned: In addition to the below also refer Ind AS/AS/Guidance Notes**

- 1) The draft of ESOP is obtained and checked.
- 2) The terms and condition mentioned in AOA and MOA are properly checked in terms of ESOP’S.
- 3) Minutes of Board meeting is obtained and checked whether ESOP is approved.
- 4) EGM held and checked its minutes too whether AOA and MOA are approved in case of any alteration.
- 5) Proof of notice sent.

**Observation and Conclusion:**

## **Chapter 5: Financial Reporting**

- 5.1 Accounting Policies
- 5.2 Notes to Accounts and Disclosures
- 5.3 Schedule III Checklist
- 5.4 CARO Checklist





## Audit Working Paper Templates

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<b>Chapter</b>	<b>5.1</b>		Name	Initial
<b>Topic</b>	<b>Accounting Policies</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Background**

The purpose of this working paper is to depict how the client is disclosing various significant/ material accounting policies and policies having possible biasness in management judgment. This work paper documents our approach towards the data provided by the client for the purpose of audit.

Extracts of accounting policies followed by the client have been shown in **Annexure 1**.

### **Objective**

The objective of this work paper is to understand:

- Significant/ material accounting policies\*
- Policies showing indication of possible bias in management's judgement.

\* For reporting period beginning from April 01, 2023, all the Companies which are complying with Ind AS are required to disclose only material accounting policies in accordance with Ind AS 1. Earlier, Companies were required to disclose all significant accounting policies. For Companies which are preparing its financial statements as per Accounting Standards, significant accounting policies are required to be disclosed.

### **Our approach**

While understanding accounting policies used by the client, we have noted some significant/ material accounting policies and policies where management biasness could be involved. Accordingly, appropriate audit procedures have been planned and explained in the respective field.

We have also planned to check whether all the significant/ material accounting policies have been disclosed by the Company.

### **Planned Audit Procedures**

We have gone through the accounting policies followed for the preparation of Standalone and Consolidated Financial Statements.

We have checked whether the accounting policies adopted by the Subsidiary Company are in line with the holding Company's accounting policies at the time of Consolidation. In case of any discrepancy, the same needs to be aligned and adjustments need to be made at the time of preparation of Consolidated Financial Statements of the Company.

We have compared the accounting policies adopted by the Company with the accounting policies adopted by the peers in the same industry to ensure the consistency and uniformity of the accounting policies adopted and applied by the Company.

We will perform testing in relation to reasonableness of estimates used in making accounting policies.

We will review whether accounting policies are being consistently applied.

**Conclusion**

We have noted that the accounting policies followed by the Company for the preparation of financial statements are in compliance with Indian Accounting Standards (Ind AS)/ Accounting Standards (AS).

It has been observed that the accounting policies are being consistently followed.

The accounting policies of the Company are broadly in line with the peers in the same industry.

**Audit Working Paper Templates**

<b>Chapter</b>	<b>5.1a</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Annexure to Audit Work Paper on Accounting Policies</b>	<b>Prepared</b>		<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>		<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>		<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example – some more significant / material accounting policies may be included based on discussions with the management on case to case basis)*

*Annexure 1 (significant / material accounting policies)*

<b>Accounting Policies</b>	<b>Basis</b>
Revenue Recognition	<p>The Company has recognized revenue in accordance with Ind AS 115 by applying the following steps:</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.</p> <p>Revenue towards the satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.</p> <p>The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.</p> <p>The Company accounts for volume discount for pricing incentives to customers as a reduction of revenue based on estimate of applicable discount/incentives.</p>
Investment in Subsidiaries, Associates and Joint Ventures	<p>Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any in separate financial statements.</p> <p>Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.</p> <p>On disposal of investments in subsidiaries, associates and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.</p>

<p>Share Based Payments</p>	<p>Employees (including senior executives) of the Company may also receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).</p> <p><i>Equity-settled transactions</i></p> <p>The cost of equity-settled transactions is determined by the fair value at the date when the grant is made.</p> <p>That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense.</p> <p>The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest.</p> <p>The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.</p> <p>Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company’s best estimate of the number of equity instruments that will ultimately vest.</p> <p>No expense is recognised for awards that do not ultimately vest because service conditions have not been met.</p> <p>Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.</p> <p>The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings.</p>
<p>Provisions for warranties</p>	<p>Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer.</p> <p>Initial recognition is based on the best estimate e.g. applying historical experience. The initial estimate of warranty-related costs is revised annually.</p>
<p>Inventories</p>	<p>Inventories are valued at the lower of cost and net realizable value.</p> <p>Costs incurred in bringing each product to its present location and condition are accounted for as follows:</p> <p><i>Raw materials and spares:</i></p> <p>Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.</p> <p><i>Finished goods and work in progress:</i></p>

**Audit Working Paper Templates**

	<p>Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.</p> <p><i>Traded goods:</i></p> <p>Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.</p> <p>Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.</p>
Property, Plant & Equipment	<p>Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.</p> <p>Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably.</p> <p>When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.</p> <p>Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets. For some assets useful life is different than Schedule II, management has derived useful lives based on the technical evaluation.</p>

<b>Chapter</b>	<b>5.2</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Notes to Accounts and Disclosures</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Notes to Accounts/ Disclosures with checklist**

□ **Notes to Accounts/ Disclosures**

Schedule III of the Companies Act, 2013 should be seen for disclosures.

- After that note down all the important events during the year. All relevant documents of important events like resolution, if amalgamation done- method followed for amalgamation with documents, any subsidiary acquired or disposed off, or any major business line closed or change in business. For all these relevant papers must be taken and disclosed in notes to accounts.
- In case of deferred tax- components of deferred tax has to be seen and disclosed.
- As regards contingent liabilities- the same should be disclosed and properly documented. In all cases previous year figures should be seen and checked with current year changes. It should also be checked from board minutes. Note on system of contingent liability recognized by the company.
- In case of Corporate/ Bank guarantee given- all papers as regards guarantee papers, sanction letter, limits certificate, resolution, modification if any etc. and confirmations should be taken. The guarantee for subsidiary and others should be disclosed separately.
- In case of segment reporting the required primary segment and secondary segment should be identified and all disclosures given in AS 17 should be done and properly documented. In case of Ind AS, provisions of Ind AS 108 need to be checked. How the chief operating decision maker reviews and identifies the segments as per Ind AS 108 is important for documentation purposes.
- Other Disclosures like Advances includes due from Subsidiaries, or given to a company in which director is interested, current liabilities includes cheques overdrawn etc. All these should be properly documented in the file.
- Further the quantitative details should be properly given and working should be attached in the file.
- Other details like FOB value of exports, CIF value of imports, Expenditure in foreign currency, foreign Traveling etc. – working for all should be kept in file.
- In case of operating lease and finance lease the same should be disclosed as per AS 19 and the corresponding checklist has also to be filled in. Last year items should be checked. In case of Ind AS, the provisions of Ind AS 116 need to be followed for disclosure in the books of the lessor and the lessee.
- Other details as required should be properly filed.

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- In case of related parties, the list should be obtained from the company duly signed by the Company Secretary and all transactions with related parties should be mentioned and a summary chart should be prepared. The required AS/Ind AS checklist i.e. AS 18/Ind AS 24 should be filled.

Sr. No.	Party Name	Relation	Nature of Transaction	Opening Balance	Transaction	Reimbursement of expense	Payment Made	Payment received	Closing balance
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- In short for all notes to accounts supporting should be attached in the file.

□ **Notes to Accounts Checklist**

- A general checklist on notes to accounts should be filled.

	NOTES TO ACCOUNTS	Remarks
<b>A.</b>	<b>General</b>	
1.	In the case of subsidiary companies, the number of shares held by the holding company as well as by the ultimate holding company and its subsidiaries has been stated. [we are not required to certify the correctness of such shareholdings as certified by the management].	
2.	If in the opinion of the Board, any of the current assets, loans and advances have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of the opinion has been stated.	
3.	Comparatives are shown	
4.	Current accounts with directors whether they are in credit or debit are shown separately.	
5.	Reference to benefits expected from contracts to the extent not executed has not been made in the Balance Sheet, reference shall be made in Board report.	
6.	Have you ensured that there is adequate disclosure of Contingent Liabilities as per Schedule III and AS/Ind AS? [Complete checklist on contingent liabilities]	
7.	The following have been shown by way of a note: <ol style="list-style-type: none"> <li>a. Amount remitted during the year in foreign currencies on account of dividends.</li> <li>b. The number of non-resident shareholders</li> <li>c. Number of shares held by them on which dividend was due and</li> <li>d. The year to which the dividends related</li> </ol>	

<b>B</b>	<b>Raw material consumed</b>	
1.	All important basic raw materials are shown separately	
2.	Materials do not include items like stores and fuel which only assist the manufacturing process.	
3.	Purchased intermediates and components are classified as raw materials and only those items which account for at least 10% of the value of raw materials consumed are shown separately in quantity and value.	
4.	The figures for raw materials consumed relate to actual consumption rather than the derived consumption; any normal shortage or loss may be included in the figure of consumption.	
5.	Internal transfers from one department to another are disregarded in determining consumption figures.	
<b>C</b>	<b>Value of imports of raw materials, components and spare parts and capital goods on CIF basis have been shown by way of note in respect of</b>	
1.	<ul style="list-style-type: none"> <li>a. Raw Material</li> <li>b. Components and spare parts</li> <li>c. Capital goods</li> </ul>	
2.	The total value of imports of components and spare parts may be disclosed in the aggregate	
3.	The disclosure in respect of imports is made on a mercantile or accrual basis. Therefore, items like goods in transit are included.	
4.	The value of imports is disclosed irrespective of whether or not such imports have resulted in an expenditure in foreign currency.	
5.	The value of imports is calculated on a CIF basis.	
6.	The disclosure is made in Indian currency.	
7.	Disclosure is with regard to the value of imports by the Company i.e., direct imports.	
8.	Terms of payment for items imported are ignored since they have no relevance to value	
<b>D</b>	<b>Value of Imported materials consumed</b>	
	The following have been shown by way of a note:	



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1.	Value of all imported raw materials, spare parts and components consumed during the financial year.	
2.	Value of all indigenous raw materials, spare parts and components consumed during the financial year.	
3.	The percentage of (a) and (b) each to total consumption is shown	
<b>E.</b>	<b>Expenditure in foreign currencies</b>	
1.	Expenditure in foreign currencies during the year has been shown by way of note split between: a. Royalty b. Know-how c. Professional, consultancy fees d. Interest e. Other matters (specify)	
2.	“Other matters” in the Schedule III requirement covers any items for which foreign currency expenditure is involved.	
3.	The requirement ordinarily relates to expenditure on intangible items.	
4.	Disclosure is made on accrual basis, otherwise basis to be stated.	
5.	Disclosure is limited to those cases where the company itself incurs a expenditure in foreign currency. The disclosure is to be made of the amounts actually incurred in foreign currency, which is remitted outside India (TDS under Income Tax Act to be excluded)	
<b>F.</b>	<b>Disclosure of Foreign Earnings</b>	
1.	Export of goods calculated on FOB basis	
2.	Royalty, know-how professional and consultation fees.	
3.	Interest and dividend	
4.	Other income (indicating nature)	
<b>G.</b>	<b>Other Items for Notes</b>	
1.	Have you completed checklist on Segment Reporting to ensure compliance and disclosures in accordance with AS 17/Ind AS 108?	
2.	Have you completed checklist on AS 20/Ind AS 33 to ensure compliance and	

	disclosures in accordance with the standard?	
<b>H</b>	<b>Contingent liabilities and commitments disclosures</b>	
1	<p><i>Contingent liabilities and commitments (to the extent not provided for)</i></p> <p>(i) Contingent liabilities shall be classified as:</p> <p style="margin-left: 20px;">(a) Claims against the company not acknowledged as debt;</p> <p style="margin-left: 20px;">(b) Guarantees;</p> <p style="margin-left: 20px;">(c) Other money for which the company is contingently liable.</p> <p>(ii) Commitments shall be classified as:</p> <p style="margin-left: 20px;">(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;</p> <p style="margin-left: 20px;">(b) Uncalled liability on shares and other investments partly paid;</p> <p style="margin-left: 20px;">(c) Other commitments (specify nature).</p>	
2	<p>Contingent Liabilities are not recognized in the books of account. However, Ind AS 37/AS 29- Provisions, Contingent Liabilities and Contingent Assets, requires the disclosure of contingent liability in the Financial Statements, if the possibility of an outflow of resources embodying economic benefits is not remote. Also, Ind AS Schedule III requires the disclosure pertaining to various commitments such as capital commitments, other commitments, and uncalled liability on shares.</p> <p>A contingent liability is:</p> <p>(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) a present obligation that arises from past events but is not recognised because:</p> <p style="margin-left: 20px;">(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or</p> <p style="margin-left: 20px;">(ii) the amount of the obligation cannot be measured with sufficient reliability.</p> <p>The word ‘commitment’ has not been defined in Schedule III. The Glossary of Terms Used in Financial Statements issued by ICAI defines ‘Capital Commitment’ as future liability for capital expenditure in respect of which contracts have been made. Hence, drawing inference from such definition, the term ‘commitment’ would simply imply future liability for contractual expenditure.</p>	
3.	Have Contingent Liabilities been measured and disclosed as per AS 29/Ind-AS 37. Check for the PPR analysis made by the Company.	

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4.	Have the following been disclosed in case of Contingent Liabilities as required by AS 29/ Ind AS 37:  a. An estimate of its financial effect  b. An indication of the uncertainties relating to any outflow; and  c. The possibility of any reimbursement.	
5.	Have you ensured that separate disclosures have been made for the following as required by relevant divisions of Schedule III of the Companies Act 2013?  a. Claims against the company not acknowledged as debts.  b. Uncalled liability on shares partly paid.  c. Arrears of fixed cumulative dividends (the period for which the dividends are in arrears or if there is more than one class of shares, the dividends on each such class are in arrear)  d. Estimated amount of contracts remaining to be executed on capital account and not provided for  e. Other money for which the company is contingently liable.  f. The amount of any guarantees given by the company on behalf of directors or other officers of the company and where practicable, the general nature and amount of each such contingent liability, if material.	

<b>Chapter</b>	<b>5.3</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Schedule III Checklist</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Note: This Checklist is based on Division I of Schedule III of Companies Act 2013.**

**Balance Sheet Checklist**

Number	Question	Reference	Schedule	Resp -onse	Res pon se give n by	Date
1	Ensure to obtain the following information/details for verification so that the Financial Statements are prepared in compliance with Schedule III - Division I					
2	Is the Balance Sheet in Vertical format?					
3	Are the headings of the Balance Sheet 'Assets' and 'Equity and Liabilities'?					
4	Are all liabilities bifurcated into Current and Non-current?					
5	What is the operating cycle of the Company? Mention business-wise if more than one business.					
6	Is following criteria met to classify an asset as current asset? Any of the following criteria:					
a	It is intended for sale in the company's normal operating cycle; or					
b	It is intended to be consumed in the company's normal operating cycle; or					
c	It is expected to be realized in the company's normal operating cycle; or					

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d	It is held primarily for the purpose of being traded; or					
e	It is expected to be realized within twelve months after the reporting date; or					
f	It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after reporting date					
7	Is following criteria met to classify a liability as current liability? Any of the following criteria:					
a	It is expected to be settled in the company's normal operating cycle; or					
b	It is held primarily for the purpose of being traded; or					
c	It is due to be settled within twelve months after the reporting date; or					
d	The company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.					
8	Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.					
9	Does Balance Sheet contain 'Note Numbers' instead of 'Schedule Numbers'?					
10	Are the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Financial Statements including notes have also been given?					
	<b>EQUITY AND LIABILITIES</b>					
	<b>Shareholders' Funds</b>					
11	Are following line items disclosed?					
a	Share Capital;					
b	Reserves and Surplus;					
c	Money received against share warrants.					

	<b>Share Capital</b>					
12	Is Number and amount of authorized shares for each class of shares disclosed?					
13	Is Number of shares issued for each class of shares disclosed?					
14	Is Number of shares subscribed and fully paid up for each class of shares disclosed?					
15	Is Number of shares subscribed but not fully paid up for each class of shares?					
16	Is Par value of shares for each class of shares disclosed?					
17	In case there is change in authorized or issued or subscribed and paid up shares for any periods is the reconciliation of number of shares outstanding at beginning and at end of reporting period for each class of share disclosed?					
18	Is rights, preference and restrictions attaching to each class of shares including restrictions on distribution of dividends and the repayment of capital disclosed?					
19	Are shares in respect of each class held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of holding company or ultimate holding company in aggregate disclosed?					
20	Is Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held as on the reporting date disclosed?					
21	Are Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts disclosed?					
22	For the period of five years immediately preceding the date of Balance Sheet are the following disclosed?					
a	Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.					

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b	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.					
c	Aggregate number and class of shares bought back.					
23	Are terms of any securities convertible into equity / preference shares issued along with earliest date of conversion in descending order starting from farthest such date disclosed?					
24	Are calls unpaid disclosed?					
25	Are calls unpaid by directors and officers disclosed separately?					
26	Are forfeited shares (amount originally paid up) disclosed?					
27	<p>Has the company disclosed the Shareholding of Promoters for each class of shares as below:</p> <p>** Shares held by promoters at the end of the year</p> <p>** % Change during the year</p> <p>Note:</p> <p>1. Promoter here means promoter as defined in the Companies Act, 2013. Promoter wise details are to be provided above.</p> <p>2. Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.</p>					
	<b>Reserves and Surplus</b>					
28	Disclosure to be made for nature and amount of each item of Reserves					
a	Capital Reserves;					
b	Capital Redemption Reserve;					
c	Securities Premium;					
d	Debenture Redemption Reserve;					
e	Share Options Outstanding Account;					
f	Revaluation Reserve;					

g	others Reserves- (specifying the nature and purpose of each reserve and the amount in respect thereof);					
h	Surplus i.e. balance in Statement of Profit and Loss					
29	Appropriations to the profit for the year are to be presented under the head "Reserves and Surplus".					
30	Has addition and deduction since last balance sheet shown under each head					
31	Is debit balance of Statement of Profit and Loss shown as negative figure under the head "Reserves and Surplus"?					
	<b>Money received against Share Warrants</b>					
32	Is money received against share warrants disclosed?					
	<b>Share Application Money Pending Allotment</b>					
33	Is Share Application Money not exceeding issued capital and not refundable disclosed on face of the Balance Sheet?					
34	In case of Share Application Money to be refunded is it disclosed as 'Other current liabilities'?					
35	Is Share Application Money exceeding issued capital disclosed as 'Other current liabilities'?					
36	Are the following disclosed for share application money:					
a	Terms and conditions					
b	Number of shares proposed to be issued.					
c	Amount of premium, if any.					
d	The period before which the allotment is to be made.					
e	Whether the company has sufficient authorized share capital to allot the shares out of share application money.					
f	Interest due on amount of refund due					
g	The period for which the share application					



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	money has been pending beyond the period for allotment as mentioned in the share application document.					
h	The reason for which such share application money is pending for allotment.					
	<b>NON-CURRENT LIABILITIES</b>					
37	Are the following items disclosed under non-current liabilities?					
a	Long-term borrowings;					
b	Deferred tax liabilities (Net);					
c	Other Long-term liabilities;					
d	Long-term provisions.					
	<b>Long-term Borrowings</b>					
38	Are borrowings classified as:					
a	Bonds or debentures					
b	Term loans					
	1. from banks					
	2. from other Parties					
c	Deferred payment liabilities					
d	Deposits					
e	Loans & advances from related parties					
f	Long term maturities of finance lease obligations					
g	Other loans & advances (specify nature);					
39	Are borrowings sub-classified as secured and unsecured?					
40	In case of secured borrowings is nature of security specified separately in each case?					
41	Where the loans have been guaranteed by directors or others, is the aggregate amount of such loans under each head disclosed?					
42	In case of Bonds and debentures is rate of interest and particulars of redemption or conversion disclosed stated, in descending order of maturity or conversion, starting from farthest redemption or conversion					

	date, as the case may be. Where bonds/debentures are redeemable by instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due					
43	Are particulars of redeemed bonds / debentures which the company has power to reissue disclosed?					
44	Are the terms of repayment of term loans and other loans disclosed?					
45	Is period and amount of continuing default as on the balance sheet date in repayment of loans and interest disclosed separately for each loan?					
46	In case a part of borrowings has current maturity as on the balance sheet date, then is the current maturity of the long-term borrowings disclosed separately under short term borrowings and not under current liabilities?					
47	In case of continuing default, the period and amount of "continuing default" as on the Balance Sheet date in repayment of loans and interest disclosed separately for each case?					
48	Do Deposits classified under Borrowings include deposits accepted from public and inter corporate deposits which are in the nature of borrowings?					
49	Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:					
a	whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.					
b	if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.					
50	<i>Wilful Defaulter</i> Where a company is a declared wilful defaulter by any bank or financial					

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	institution or other lender, following details shall be given: ** Date of declaration as wilful defaulter, ** Details of defaults (amount and nature of defaults)					
51	Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.					
	<b>Other Long-term liabilities</b>					
52	Are they classified into:					
a	Trade payables; and					
b	Others.					
	<b>Trade Payables</b>					
53	Does Trade Payables contain only amount due on account of goods purchased or services received in normal course of business and acceptances?					
54	Does it include amount due under contractual obligations too?					
55	Is trade payable classified as:					
a	total outstanding dues of micro enterprises and small enterprises; and					
b	total outstanding dues of creditors other than micro enterprises and small enterprises.					
56	Is following disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 made for trade payables?					
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;					
b	the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;					

c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006					
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and					
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.					
57	Has ageing schedule given for trade payables due for payment?					
58	Under the ageing schedule has the disputed due disclosed separately for MSME and others?					
59	Has the company disclosed the unbilled dues separately?					
	<b>Long-Term Provisions</b>					
60	Are provisions classified into Provision for employee benefits and Others specifying the nature?					
61	Is Provision for employee benefits bifurcated into long-term (non-current) and current?					
62	All long-term provisions, other than those related to employee benefits disclosed separately based on their nature?					
	<b>Deferred tax liabilities (net)</b>					
63	Is disclosure made separately for deferred tax liabilities (net)					
	<b>CURRENT LIABILITIES</b>					
64	Has classification done on the face of the Balance Sheet as follows:					

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a	Short-term borrowings;					
b	Trade payables: ** total outstanding dues of micro enterprises and small enterprises; and ** total outstanding dues of creditors other than micro enterprises and small enterprises.					
c	Other current liabilities;					
d	Short-term provisions.					
	<b>Short-term Borrowings</b>					
65	Are borrowings classified as:					
a	Loans repayable on demand ** from banks ** from other parties					
b	Loans & advances from related parties					
c	Deposits					
d	Other loans & advances (specify nature)					
66	Are borrowings sub-classified as secured and unsecured?					
67	In case of secured borrowings is nature of security specified separately in each case?					
68	Where the loans have been guaranteed by directors or others, is the aggregate amount of such loans under each head disclosed?					
69	Is period and amount of default as on the balance sheet date in repayment of loan and interest disclosed separately for each loan?					
70	Are Loans payable on demand treated as part of short-term borrowings?					
71	In the case of short-term borrowings, all defaults existing as at the date of the Balance Sheet disclosed (item-wise)?					
	<b>Other Current Liabilities</b>					
72	Are Other Current Liabilities classified as under:					
a	Current maturities of finance lease obligations;					

b	Interest accrued but not due on borrowings;					
c	Interest accrued and due on borrowings;					
d	Income received in advance;					
e	Unpaid dividends;					
f	Application money received for allotment of securities and due for refund and interest accrued thereon;					
g	Unpaid matured deposits and interest accrued thereon;					
h	Unpaid matured debentures and interest accrued thereon;					
i	Other payables (specify nature);					
73	Other Payables in the nature of statutory dues such as Withholding taxes, Excise Duty, GST, employer and employee contribution to PF / ESI / LWF, etc.					
	<b>Short-term Provisions</b>					
74	Are short-term provisions classified into Provision for employee benefits and Others?					
	<b>ASSETS</b>					
	<b>NON-CURRENT ASSETS</b>					
75	Are the following items disclosed under non-current assets:					
a	Property, Plant and Equipment and Intangible Assets					
	i. Property, Plant and Equipment					
	ii. Intangible assets;					
	iii. Capital work-in-progress;					
	iv. Intangible assets under development					
b	Non-current investments					
c	Deferred tax assets (net)					
d	Long-term loans and advances					
e	Other non-current assets					
	<b>Property, Plant and Equipment</b>					
76	Are Property, Plant and Equipment					

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	classified as under:					
a	Land					
b	Buildings					
c	Plant and Equipment					
d	Furniture and Fixtures					
e	Vehicles					
f	Office Equipment					
g	Others (Specifying natures)					
77	Are Property, Plant and Equipment under lease separately classified under each class of assets?					
78	Is a reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses/reversals disclosed separately?					
79	If any sums have been written-off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, disclosure by way of a note made showing amount of reduction/increase, as applicable, together with the date thereof for the first five years subsequent to the date of such reduction/increase?					
80	The company shall provide the details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.					

81	Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.					
	<b>Intangible assets</b>					
82	Are Intangible assets classified as under:					
a	Goodwill					
b	Brands / Trademarks					
c	Computer Software					
d	Mastheads and publishing titles					
e	Mining rights					
f	Copyrights, patents and other intellectual property rights, services and operating rights					
g	Recipes, formulae, models, designs and prototypes					
h	Licenses and franchise					
i	Others (specifying nature)					
83	Is reconciliation for all the above classification of Intangible assets made for gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of intangible assets) and other adjustments, related depreciation and impairment losses / reversals?					
84	Where sums have been written-off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, Balance Sheet shall by way of a note show the amount of the reduction/increase, as applicable, together					



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	with the date thereof for the first five years subsequent to the date of such reduction/increase?					
	<b>Capital Work in progress</b>					
85	Is capital work in progress disclosed separately					
86	Are capital advances included under this head?					
87	Disclose ageing schedule of capital work in progress, categorising between ** Less than 1 year ** 1-2 years ** 2-3 years ** more than 3 years Further, bifurcating between projects in progress and projects temporarily suspended.					
88	For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, project wise ageing schedule shall be given.					
89	Details of projects where activity has been suspended shall be given separately.					
	<b>Intangible assets under development</b>					
90	Are Intangible assets under development disclosed separately?					
91	Disclose ageing schedule of Intangible assets under development, categorising between ** Less than 1 year ** 1-2 years ** 2-3 years ** more than 3 years Further, bifurcating between projects in progress and projects temporarily suspended.					
92	For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, project wise completion / ageing schedule shall be given.					

93	Details of projects where activity has been suspended shall be given separately.					
	<b>Non-current Investments</b>					
94	Are Non-current investments classified as under:					
a	Investment Property					
b	Investments in Equity Instruments;					
c	Investments in Preference Shares;					
d	Investments in Government or trust securities;					
e	Investment in debentures or bonds;					
f	Investments in Mutual Funds;					
g	Investments in Partnership Firms;					
h	Other non-current investments (specifying nature)					
95	Are investments in bodies corporate classified as investments made into Subsidiaries, Associates, Joint ventures and controlled special purpose entities?					
96	Is Number and face value in each investment disclosed, wherever applicable?					
97	Are investments which are partly paid-up disclosed separately?					
98	In case of investment in partnership firm is Name of the firm, Names of all their partners, Total capital and Shares of each partner disclosed for each investment?					
99	Is basis of valuation disclosed in case investments are carried at other than cost?					
100	Is aggregate amount of quoted investments and market value thereof disclosed?					
101	Is aggregate amount of unquoted investments disclosed?					
102	Is Aggregate provision for diminution in value of investments disclosed?					
103	If an investment is to be redeemed partly within twelve months and partly beyond twelve months, is the amount to be redeemed within twelve months disclosed					

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	as current investment and balance as non-current investments?					
104	Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship / extent of holding of the company in such downstream companies shall be disclosed.					
105	Are non-current investments classified as "trade investments" and "other investments"?					
106	Is Aggregate provision for diminution in value of investments disclosed separately in the notes?					
107	If decline is other than temporary, in the value of a long-term investment, is the carrying amount is reduced to recognize the decline?					
108	Is the aggregate amount of provision made in respect of all non-current investments separately disclosed?					
109	Disclose the names of bodies corporate, including separate disclosure of investments in controlled special purpose entities in addition to subsidiaries?					
110	In case of Investment in partnership firms the following disclosures made:					
a	Disclose share of each partner in the profits of the firm					
b	Total capital of the firm as well as of the company's share in that capital					
c	The share of each partner as at the date of the company's Balance Sheet					
	<b>Long-term loans &amp; advances</b>					
111	Are loans classified as:					
a	Capital advances					
b	Loans & advances to related parties					

c	Other Loans & advances (specifying nature)					
112	Are they further sub-classified into:					
a	Secured, considered good					
b	Unsecured, considered good					
c	Doubtful					
113	Is allowance for bad and doubtful loans and advances under relevant heads disclosed separately?					
114	Are Loans due by directors or other officers, or any of them either severally or jointly with any other person or amounts due by firms or private companies in which any director is a partner or director or member stated separately?					
115	<p>Where loans and advances in nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:</p> <p>** repayable on demand or</p> <p>** without specifying any terms or period of repayment</p> <p>Is following disclosure made:</p> <ul style="list-style-type: none"> <li>• Type of borrower- Promoters/ Directors/KMPs/Related Parties</li> <li>• Amount of loan/advance outstanding</li> <li>• % to the total loans and advances</li> </ul>					
	<b>Other Non-current Assets</b>					
116	Are Other non-current assets classified as:					
a	Long term trade receivables					
b	Security Deposits					
c	others (specifying nature)					
117	Are Long term Trade Receivables, further sub-classified as:					
a	Secured, considered good;					

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b	Unsecured considered good;					
c	Doubtful					
118	Are allowance for bad and doubtful debts disclosed under the relevant heads separately.					
119	Are advances to directors or other officers, or any of them either severally or jointly with any other person or amounts due by firms or private companies in which any director is a partner or director or member stated separately?					
120	Has ageing schedule been given for trade receivables? Has it been further classified between disputed and undisputed?					
121	Has unbilled dues separately been disclosed?					
122	Further, has the unbilled dues, bifurcated between secured considered good, unsecured considered good and doubtful?					
123	Are unbilled dues by directors or other officers, or any of them either severally or jointly with any other person or amounts due by firms or private companies in which any director is a partner or director or member stated separately?					
	<b>CURRENT ASSETS</b>					
	<b>Current Investments</b>					
124	Are Current Investments classified as:					
a	Investments in Equity Instruments;					
b	Investments in Preference Shares;					
c	Investments in Government or trust securities;					
d	Investment in debentures or bonds					
e	Investments in Mutual Funds;					
f	Investments in Partnership Firms;					
g	Other non-current investments (specifying nature)					
125	Are investments in bodies corporate classified as investments made into					

	Subsidiaries, Associates, Joint ventures and controlled special purpose entities?					
126	Is number and face value in each investment disclosed, wherever applicable?					
127	Are investments which are partly paid-up disclosed separately?					
128	In case of investment in partnership firm is Name of the firm, Names of all their partners, Total capital and Shares of each partner disclosed for each investment?					
129	Is basis of valuation disclosed in case of each investment?					
130	Is aggregate amount of quoted investments and market value thereof disclosed?					
131	Is aggregate amount of unquoted investments disclosed?					
132	Is aggregate provision for diminution in value of investments disclosed?					
	<b>Inventories</b>					
133	Are Inventories classified into:					
a	Raw Materials					
b	Work-in-progress					
c	Finished goods					
d	Stock-in-trade (trading goods)					
e	Stores and spares					
f	Loose tools					
g	Others (specifying nature)					
134	Are Goods-in-transit disclosed separately under each relevant sub-head?					
135	Is mode of valuation stated for each classification?					
	<b>Trade Receivables</b>					
136	Has the Company given ageing schedule and further, bifurcated between considered good, considered doubtful, disputed and undisputed?					
137	Has Unbilled dues disclosed separately?					

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138	Are only amounts due on account of goods sold or services rendered in the normal course of business classified as 'trade receivable'?					
139	Are trade receivables further sub-classified into:					
a	Secured, considered good					
b	Unsecured, considered good					
c	Doubtful					
140	Is allowance for bad and doubtful debts under relevant heads disclosed separately?					
141	Are debts due by directors or other officers, or any of them either severally or jointly with any other person or debts due by firms or private companies in which any director is a partner or director or member stated separately?					
142	Are amounts due under contractual obligations like amounts due for sale of property, plant and equipment, insurance claim, etc. included in trade receivables?					
143	Are only amounts to be realized within twelve months from date of Balance Sheet or operating cycle of the business classified as 'trade receivables' under current assets?					
144	Are outstanding for a period exceeding six months 'from the date they became due for payment' disclosed separately?					
	<b>Cash and cash Equivalents</b>					
145	Are Cash and cash equivalents classified as:					
a	Balances with Banks					
b	Cheques, drafts on hand;					
c	Cash on hand; and					
d	Others (specify nature).					
146	Are Earmarked balances with banks (for example, for unpaid dividend) separately stated?					

147	Are Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments disclosed separately?					
148	Are Repatriation restrictions, if any, in respect of cash and bank balances separately stated?					
149	Are Bank deposits with > 12 months maturity disclosed separately?					
	<b>Short-term loans &amp; advances</b>					
150	Are short-term loans and advances classified as:					
a	Loans and advances to related parties					
b	Others (specifying nature)					
151	Loans shall also be sub-classified as:					
a	Secured, considered good;					
b	Unsecured, considered good;					
c	Doubtful					
152	Is allowance for bad and doubtful loans and advances under relevant heads disclosed separately?					
153	Are Loans and advances due by directors or other officers, or any of them either severally or jointly with any other person or amounts due by firms or private companies in which any director is a partner or director or member stated separately?					
	<b>Other Current Assets</b>					
154	This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories					
	<b>Contingent Liabilities and Commitments (to the extent not provided for)</b>					
155	Are Contingent Liabilities classified in the notes to the accounts as:					
a	Claims against company not acknowledged as debt					



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b	Guarantees					
c	Other money for which the company is contingently liable					
156	Are Commitments classified in the notes to the accounts as:					
a	Estimated amount of contracts remaining to be executed on capital account and not provided for					
b	Uncalled liability on shares and other investments partly paid					
c	Other commitments (specify nature)					
	<b>Other disclosures in notes</b>					
157	Amount of dividend proposed to be distributed to equity and preference shareholders for the period and the related amount per share.					
158	Arrears of fixed cumulative dividends on preference shares.					
159	Where securities (equity / preference) are issued for specific purpose, but whole or part of the amount is not used for that specific purpose, then how the unutilized amount is used or invested.					
160	Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used.					
161	If, in the opinion of the Board, any of the assets other than Property, Plant and Equipment, Intangible Assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated					
	<b>Benami Property</b>					
162	Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,					

	<p>1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:</p> <p>** Details of such property, including year of acquisition,</p> <p>** Amount thereof,</p> <p>** Details of Beneficiaries,</p> <p>** If property is in the books, then reference to the item in the Balance Sheet,</p> <p>** If property is not in the books, then the fact shall be stated with reasons,</p> <p>** Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,</p> <p>** Nature of proceedings, status of same and companies view on same.</p>					
	<b>Relationship with Struck off Companies</b>					
163	<p>Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:</p> <p>** Name of struck off Company</p> <p>** Nature of transactions with struck-off Company</p> <p>** Balance outstanding</p> <p>** Relationship with the Struck off company, if any, to be disclosed</p>					
	<b>Ratios</b>					
164	<p>Have the following ratios been disclosed:</p> <p>Note:</p> <p>The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.</p>					
a	Current Ratio					
b	Debt-Equity Ratio					

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c	Debt Service Coverage Ratio					
d	Return on Equity Ratio					
e	Inventory turnover ratio					
f	Trade Receivables turnover ratio					
g	Trade payables turnover ratio					
h	Net capital turnover ratio					
i	Net profit ratio					
j	Return on Capital employed					
k	Return on investment.					
	<b>Compliance with approved Scheme(s) of Arrangements</b>					
165	<p>Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose:</p> <p>** that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company in accordance with the Scheme and in accordance with accounting standards and</p> <p>** deviation in this regard shall be explained.</p>					
	<b>Utilisation of Borrowed funds and share premium</b>					
166	<p>Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall</p> <p>** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or</p> <p>** provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;</p> <p>the company shall disclose the following:</p>					

a	date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.					
b	date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries along with complete details of the ultimate beneficiaries.					
c	date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries					
d	declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003)					
167	Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall ** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ** provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:					
a	date and amount of fund received from Funding parties with complete details of each Funding party.					
b	date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries along with complete details of the other intermediaries or ultimate beneficiaries.					
c	date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries					

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d	declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).					
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### Statement of Profit and Loss Checklist

Number	Question	Reference	Schedule	Response	Response given by	Date
1	Ensure to obtain the following information/details for verification so that the Financial Statements are prepared in compliance with Schedule III					
2	Is the Statement of Profit and Loss in the format specified under Schedule III?					
3	Is the Statement of Profit and Loss prepared in vertical format?					
4	Is it termed as 'Statement of Profit and Loss'?					
5	Does Statement of Profit and Loss include:					
a	Profit or loss for the Period;					
b	Are item of Income / expense of more than 1% of revenue from operations or Rs. 1,00,000/- whichever is higher, disclosed as separate items under respective heads?					
	<b>Revenue from Operations</b>					
6	Is disclosure for companies other than finance company made as:					
a	Sale of Products					
b	Sale of Services					
c	Grants or donations received (relevant in case of section 8 companies only)					
d	Other Operating Revenues					
e	Less: Excise duty					

7	Is sale of manufacturing scrap classified as other operating revenue?					
8	Is disclosure for a Finance company made as:					
a	Interest					
b	Other Financial services					
	<b>Other Income</b>					
9	Is Other Income classified as:					
a	Interest income (other than for finance company)					
b	Dividend income					
c	Net gain/loss on sale of investments					
d	other non-operating income (net of expenses directly attributable to such income)					
10	Is separate disclosure for Dividends from subsidiary companies made?					
11	Is interest, dividend, gain/loss on sale of investment, etc. disclosed separately for Current as well as long term Investments?					
12	Is separate disclosure of profits or losses from partnership firms made?					
13	Is profit in partnership firm recognised as income in the statement of profit and loss as and when the right to receive the profit share is established?					
	<b>Expenses</b>					
14	Is disclosure made on face of the Statement of Profit and Loss by classifying expenses into:					
a	Cost of materials consumed					
b	Purchases of stock-in-trade					
c	Changes in inventories of finished goods, stock in trade and Work-in-progress					
d	Employee benefits expense					
e	Finance costs					
f	Depreciation and amortization expenses					
g	Other expenses					

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	<b>Cost of materials consumed</b>					
15	In case of classification under 'cost of materials consumed', are packing material, consumable stores, etc. not forming part of product classified under this head?					
16	Are internally manufactured components disclosed as below:					
a	where such components are sold without further processing, they are disclosed as 'finished products'.					
b	where such components are sold only after further processing, disclosed them as 'work-in-progress' / 'manufactured components' / 'semi-finished products' / 'intermediate products'.					
c	where such components are sometimes sold without further processing and sometimes after further processing disclosed as 'manufactured components'.					
17	In case of classification under 'cost of material consumed' where derived consumption is shown; then is a suitable footnote given that the consumption is not the actual consumption but derived consumption?					
	<b>Purchases of Stock in Trade</b>					
18	Are goods purchased normally with the intention to resell or trade are included here?					
19	Does purchase of stock in trade includes excise duty expense?					
20	Are semi-finished goods/materials purchased with an intention of doing further processing included here?					
	<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>					
21	Is disclosure of difference between opening and closing inventories of finished goods, work-in-progress and stock-in-trade made for each line items separately?					
	<b>Employee benefits expense</b>					
22	For employee benefits expenses, is sub-					

	classification made in notes to the accounts as:					
a	Salaries and wages, including: ** Bonus ** Leave encashment ** Compensations & ** other similar payments					
b	Contribution to provident and other funds. Other funds would include: ** Gratuity funds, ** Superannuation funds ** ESI ** Labour Welfare Fund ** Penalties and similar amounts not to be disclosed here					
c	Share based payments to employees (i.e. ESOP & ESPP)					
d	Staff welfare expenses					
	<b>Finance Cost</b>					
23	For finance cost, is sub-classification made in notes to the accounts as:					
(a)	<i>Interest expense, which would include:</i> ** Interest on borrowings, debentures, bonds, etc. ** Finance charges on finance lease are in nature of interest ** Dividend on redeemable preference shares ** Exchange differences regarded as an adjustment to borrowing costs					
(b)	<i>Other borrowing costs:</i> Other borrowing costs, which would include:					
a	Commitment charges					
b	Loan processing charges					
c	Guarantee charges					
d	Loan facilitation charges					
e	Discounts/ premium on borrowings					
f	Other ancillary costs					



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(c)	Applicable net gain/loss on foreign currency transactions to the extent they are regarded as adjustment to interest cost disclosed					
	<b>Other Expenses</b>					
24	For other expenses; is sub-classification made in notes to the accounts as:					
a	Consumption of stores and spare parts					
b	Power and fuel					
c	Rent					
d	Repairs to buildings					
e	Repairs to machinery					
f	Insurance					
g	Rates and taxes, excluding taxes on income					
h	Miscellaneous expenses					
	<b>Exceptional Items</b>					
25	Are 'Exceptional Items' disclosed on the face of the Statement of Profit and Loss?					
	<b>Extraordinary items</b>					
26	Is the nature and the amount of each extraordinary item separately disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived?					
	<b>Tax Expense</b>					
27	Is tax expense disclosed on the face of the Statement of Profit and Loss and bifurcated into: ** Current Tax ** Deferred Tax					
	<b>Current Tax</b>					
28	Details of all taxes on income payable under the Income Tax Act, 1961 disclosed here?					
29	Is MAT disclosed under current tax?					
30	Is Current tax computed in compliance with Income Computation and Disclosure Standards (ICDS) notified under Income Tax Act, 1961?					

31	Is interest on tax being in the nature of finance cost disclosed in finance cost and not as current tax?					
32	Are penalties under Income Tax Act, 1961 if compensatory in nature classified as interest and not tax expense?					
33	Are other tax penalties classified under other expenses or tax expense?					
34	Excess / Short provision of tax relating to earlier years separately disclosed?					
	<b>Deferred tax</b>					
35	Any charge / credit for deferred taxes disclosed separately on the face of the Statement of Profit and Loss?					
	<b>Profit / (loss) for the period from Discontinuing operations</b>					
36	Are profit / loss from discontinuing operations disclosed on the face of the Statement of Profit and Loss?					
37	Is Disclosure of the amount of the pre-tax gain or loss recognised on the disposal of assets or settlement of liabilities attributable to the discontinuing operations made?					
	<b>Tax expense of discontinuing operations</b>					
38	In case there are any taxes payable / tax credits available on profits / losses of discontinuing operations, are the same also disclosed on the face of the Statement of Profit and Loss?					
	<b>Earnings Per Share</b>					
39	Is Earnings per Equity Share (EPS) disclosed separately and jointly for continuing and discontinued operations in accordance with AS 20 on the face of the Statement of Profit and Loss as: ** Basic EPS ** Diluted EPS					
40	Is nominal value of equity shares disclosed along with the Earnings Per Share figures as required by AS 20.					

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	<b>Additional Information</b>					
41	Are the following information disclosed in the notes to the accounts:					
a	Is disclosure for adjustments to carrying amount of investments for diminution in value of the investments is made?					
b	Is exchange gain/loss on account of foreign exchange fluctuations (other than cost as per para 4(e) of AS 16) are disclosed separately?					
c	Is disclosure for payment to auditors, bifurcated and disclosed into: ** As Auditor ** For taxation matters ** For company law matters ** For management services ** For other services ** For reimbursement of expenses					
d	Prior period items if any, disclosed					
e	The aggregate, if material, of any amounts set aside/proposed to be set aside & withdrawn, to/from reserve					
f	The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments and amounts withdrawn from such provisions, as no longer required					
g	Disclosure for Provisions for losses of subsidiary companies					
	<b>Corporate Social Responsibility</b>					
42	Is Section 135 applicable to the Company? If yes, amount of expenditure incurred on corporate social responsibility activities separately disclosed?					
43	Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:					
a	amount required to be spent by the company during the year,					
b	amount of expenditure incurred,					

c	shortfall at the end of the year,					
d	total of previous years shortfall,					
e	reason for shortfall,					
f	nature of CSR activities,					
g	details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,					
h	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.					
	<b>Other Disclosures</b>					
44	Is value of imports made during the year on CIF basis disclosed in notes to the accounts separately for:- ** Raw Materials ** Components (intermediaries & components) ** Spare Parts (for capital equipment) ** Capital Goods					
45	Is expenditure incurred in foreign currency disclosed in notes to the accounts separately for: ** Royalty, Know-how, ** Professional & consultation fee, ** Interest & Others					
46	Is disclosure made for all imported and indigenous consumed during the financial year in notes to the accounts separately for: ** Raw materials, ** Spare parts (for plant & machinery and similar nature items) ** Components					
47	If dividend is paid in foreign currency, then is disclosure made for: ** Total amount remitted during the year in foreign currency, ** Total number of non-resident					

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	<p>shareholders,                  ** Total number of shares held by them on which dividend was due &amp; Year to which dividend relates</p>					
48	<p>Are Foreign Currency Earnings disclosed and classified as:                  ** Export of goods (calculated on F.O.B. basis),                  ** Royalty, know how, professional and consultation fees,                  ** Interest and dividends                  ** Other income (indicating the nature thereof)</p>					
	<b>Undisclosed Income</b>					
49	<p>The Company shall give details of any transaction not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year</p>					
	<b>Details of Crypto Currency or Virtual Currency</b>					
50	<p>Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:                  ** profit or loss on transactions involving Crypto currency or Virtual Currency                  ** amount of currency held as at the reporting date,                  ** deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.</p>					

	<b>Consolidated Financial Statements</b>					
51	<p>Are the additional details as required under the General Instructions for the Preparation of Consolidated Financial Statements given in the consolidated financial statements. The details include bifurcation of Net Assets (As % of consolidated net assets and amount) and Share in Profit or loss (As % of consolidated profit or loss and amount) for each of the component and the parent.</p>					

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<b>Chapter</b>	<b>5.4</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>CARO Checklist</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following extracts may be used as explained in the Guidance Note on CARO 2020)*

The Companies (Auditor's Report) Order, 2020 (CARO 2020) was issued on 25<sup>th</sup> February 2020. It has come into force on and from the 1<sup>st</sup> day of April, 2021. It is applicable to every Company including a Foreign Company as defined in Section 2(42) of the Companies Act, 2013 except the following: -

- (i) a banking company as defined in Clause (c) of Section 5 of The Banking Regulation Act, 1949 (10 of 1949);
- (ii) an insurance company as defined under the Insurance Act, 1938 (4 of 1938).
- (iii) a company licensed to operate under section 8 of the Companies Act.
- (iv) a One Person Company as defined in clause (62) of section 2 of the Companies Act and a small company as defined in clause (85) of section 2 of the Companies Act; and
- (v) a private limited company, not being a subsidiary or holding company of a public company, having a paid up capital and reserves and surplus not more than one crore rupees as on the balance sheet date and which does not have total borrowings exceeding one crore rupees from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Schedule III to the Companies Act (including revenue from discontinuing operations) exceeding ten crore rupees during the financial year as per the financial statements.

All the 5 conditions above should be satisfied by the private limited company in order to be eligible for exemption from CARO 2020.

CARO 2020 is applicable for all statutory audits commencing on or after 1 April 2021 corresponding to the financial year 2021-22.

Keeping in view the various points to be covered in the Audit Report under CARO 2020, a checklist covering the details to be looked into during audit is given in the Annexure. It should however be noted that this checklist is only meant to act as a reference guide and this checklist is not exhaustive.

## Annexure: Checklist for Compliance of CARO 2020

Clause No.	Particulars	Remarks	Working Paper Reference
<b>3(i)(a)(A)</b>	<b>Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</b>		
(a)	Whether records of Property, Plant and Equipment are maintained showing the following particulars:		
	<ul style="list-style-type: none"> <li>(i) Sufficient description (distinctive numbers, purchase agreement, documents, records and registration references, etc.) of the asset to make identification possible.</li> <li>(ii) Classification, that is, the head under which it is shown in the accounts, e.g., plant and machinery, office equipment, etc. component-wise, as applicable.</li> <li>(iii) Location/situation.</li> <li>(iv) Quantity, i.e., number of units.</li> <li>(v) Original cost.</li> <li>(vi) Year of purchase.</li> <li>(vii) Date of available for use.</li> <li>(viii) Residual value.</li> <li>(ix) Adjustment for revaluation or for any increase or decrease in cost, e.g., on revaluation of foreign exchange liabilities.</li> <li>(x) Date of revaluation, if any.</li> <li>(xi) Rate and basis of depreciation, useful life, particulars regarding impairment.</li> <li>(xii) Depreciation and impairment for the current year.</li> <li>(xiii) Accumulated depreciation and impairment loss.</li> <li>(xiv) Particulars regarding sale, discarding, demolition, destruction etc.</li> <li>(xv) Particulars of Property, Plant and Equipment that have been retired from active use and held for disposal.</li> <li>(xvi) Particulars of Property, Plant and Equipment that have been fully depreciated or impaired.</li> </ul>		
(b)	Whether aggregate original cost, depreciation to date and impairment loss, if any, as per the register/records agrees with General Ledger balances? If not, note the disagreements in respect of each class of assets.		
	Conclusion:		



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<b>3(i)(a)(B)</b>	<b>Whether the company is maintaining proper records showing full particulars of intangible assets;</b>		
(a)	Whether records of intangible assets are maintained showing the following particulars:		
	<p>(i) Sufficient description (distinctive numbers, purchase agreement, documents, records and registration references, etc.) of the intangible asset to make identification possible along with bifurcation as per:</p> <ul style="list-style-type: none"> <li>• Self-generated intangible assets to the extent permitted by relevant accounting standards</li> <li>• Acquired intangible assets</li> </ul> <p>(ii) Classification, that is, the head under which it is shown in the accounts, e.g.,</p> <ul style="list-style-type: none"> <li>• Customer-based intangible assets,</li> <li>• marketing-based intangible assets,</li> <li>• contract based intangible assets,</li> <li>• artistic-based intangible assets,</li> <li>• technology-based intangible assets etc. as applicable.</li> </ul> <p>(iii) Location/situation.</p> <p>(iv) Quantity, i.e., number of units.</p> <p>(v) Original cost.</p> <p>(vi) Year of purchase.</p> <p>(i) Date of available for use.</p> <p>(ii) Residual value.</p> <p>(ix) Adjustment for revaluation or for any increase or decrease in cost, e.g., on revaluation of foreign exchange liabilities.</p> <p>(x) Date of revaluation, if any.</p> <p>(xi) Rate and basis of amortization, useful life, particulars regarding amortisation and impairment of intangible assets.</p> <p>(xii) Amortisation and impairment for the current year.</p> <p>(xiii) Accumulated amortisation and impairment loss and / or reversal of impairment loss.</p> <p>(xiv) Particulars regarding retirement, sale, disposal, cessation etc. (e.g., termination of a license / permit or scrapping of a software)</p> <p>(xv) Particulars of intangible assets that have been retired /</p>		

	<p>derecognized from active use and held for disposal.</p> <p>(xvi) Particulars of intangible assets that have been fully amortised or impaired.</p> <p>(xvii) Particulars of any specific legislation which is applicable to intangible assets (e.g. Copyright Act 1957, Patents Act 1970, Information Technology Act 2000, Designs Act 2000 etc.)</p> <p>(xviii) Whether aggregate original cost, amortisation to date and impairment loss, if any, as per the register/records agrees with General Ledger balances? If not, note the disagreements in respect of each class of intangible assets.</p>		
	Conclusion:		
<b>3(i)(b)</b>	<b>Whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;</b>		
(a)	<p>(i) Whether Property, Plant and Equipment (PPE) were physically verified at any time during the year or earlier years according to a phased program?</p> <p>(ii) What is the periodicity of physical verification of PPE and whether the same is reasonable?</p> <p>(iii) Whether PPE physically verified, agreed/ reconciled with book figures?</p> <p>If not, auditor is to note the discrepancies against each class of assets in terms of value, and state how the discrepancies have been dealt with.</p> <p>(iv) Instructions to officials for carrying out physical verification to include procedures, timing, competency of team members, count sheets/tags, formats etc.</p>		
(b)	The auditor may physically verify few items from the PPE register & vice versa.		
(c)	<p>Whether management representation is obtained confirming that:</p> <ul style="list-style-type: none"> <li>• items of PPE are physically verified by the company in accordance with the policy of the company.</li> <li>• periodicity of the physical verification of PPE.</li> <li>• details of the material discrepancies noticed during the physical verification of PPE.</li> <li>• if no discrepancies were noted during physical verification, the same should be clearly mentioned.</li> </ul>		
	Conclusion:		

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<b>3(i)(c)</b>	<b>Whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the format below:-</b>					
	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
	-	-	-	-	-	*also indicate if in dispute
(a)	Does the company have any immovable properties (e.g. land and buildings)? Has the company identified the land and building on the basis of Property, Plant and Equipment register?					
(b)	Whether the title deeds of these immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company? Whether the details as per title deeds reconcile with the details in PPE register, if not, is there any material difference to be reported here.					
(c)	Has the management provided details of immovable properties not held in company's name (for example, location, description, and reasons for not being held in the company's name?)					
	<p>(i) In case the title deeds are lost, assess whether the certified copies of such documents are available with the company and what actions have been taken by the management in this regard?</p> <p>(ii) In case the title deeds are mortgaged with the lenders, assess if the confirmation from the lenders is obtained for the same.</p> <p>(iii) In case any litigations / dispute are pending with respect to title of the immovable properties, the auditor is to document and report the details of such litigations and the forum where they are pending.</p> <p>(iv) The discrepancies observed should be reported in the CARO report as under:</p> <p>In case the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are not held in the name of the company, the auditor has to obtain information and details on</p>					

	<p>the following:</p> <ul style="list-style-type: none"> <li>• Description of the property (with details of location, area, details of land records/municipal records)</li> <li>• Gross carrying value as in the financial statements.</li> <li>• Held in the name of whom (name of party).</li> <li>• Whether such properties are held in the name of promoter, director or their relative or employee.</li> <li>• The period for which such properties are held in the name of promoter, director or their relative or employee.</li> <li>• Reason for not being held in the name of the company.</li> <li>• Details of dispute, if any.</li> </ul> <p>Auditor may carry out suitable substantive test, external confirmation, and obtain necessary management representation for the purpose of reporting under this clause.</p>		
	Conclusion:		
<b>3(i)(d)</b>	<b>Whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;</b>		
(a)	Whether revaluation of Property, Plant and Equipment (including right of use assets) or Intangible Assets has been carried out?		
(b)	What is the frequency of revaluation usually carried out by the company?		
(c)	In case the company during the year has revalued its PPE or intangible assets or both, then whether the revaluation is based on the valuation by a Registered Valuer as set out in Section 247 of the Companies Act 2013 read with the Companies (Registered Valuers and Valuation Rules) 2017.		
(d)	In case a single item of PPE is revalued, whether the entire class of PPE to which that item belongs has been revalued.		
(e)	Date of revaluation carried out by the company.		
(f)	Name of the Registered Valuer or firm who carried out the valuation exercise, place and date of Valuation Report (The auditor may also retain a copy of the Valuation Report issued by such Registered Valuer).		
(g)	Membership / Licence Number of the Registered Valuer (Registered Valuer are to be registered with Insolvency & Bankruptcy Board of India).		
(h)	If change is 10% or more in the aggregate of the net carrying		

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	value of each class of PPE or intangible assets, auditor to specify the amount of change and whether this change is a result of upward or downward revaluation.		
	Conclusion:		
<b>3(i)(e)</b>	<b>Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;</b>		
	For the purpose of reporting under this Clause, the term ‘Property’ shall cover the Definition as per the Prohibition of Benami Property Transactions Act, 1988.		
(a)	Whether proceedings have been initiated under Section 24(1) of the Prohibition of Benami Property Transactions Act, 1988 by the Initiating Officer (IO) and/ or any proceedings being pending against the Company before the Initiating Officer/ Adjudicating Authority/ Appellate Tribunal/ High Court/ Supreme Court during any of the preceding financial years.		
(b)	Whether, in case of any proceedings initiated or pending against the company, appropriate disclosures are made in the financial statements. The term ‘Appropriate disclosures’ shall, inter alia include: <ul style="list-style-type: none"> <li>• The disclosures required by Schedule III to the Act.</li> <li>• consequential impact on the financial statements and/ or the liability that may arise in case the proceedings are decided against the Company.</li> </ul>		
(c)	Whether the liability is required to be disclosed as “Contingent liabilities” or whether provisions are required to be made in the financial statements.		
(d)	For the purpose of ascertaining whether any proceedings are initiated or are pending:		
	Whether management representation letter is obtained by the auditor under SA 580 in respect of necessary inquiries made with management?		
	Whether review is carried out by the auditor regarding ‘legal fees / expenses’ in the statement of profit and loss to ascertain whether any expenses have been actually incurred by the Company in respect of a proceeding under Prohibition of Benami Property Transactions Act 1988?		
	Whether the auditor reviewed the minutes of meetings of the Board of Directors, Audit Committee, Risk Management Committee, other secretarial records to verify whether any reference to proceedings against the Company under the		

	Prohibition of Benami Property Transactions Act 1988 has been made?		
	Conclusion:		
<b>3(ii)(a)</b>	<b>Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;</b>		
(a)	Has the management physically verified the inventory, as defined in AS 2/Ind AS 2?		
(b)	Whether evidence of physical verification has been seen and reasonableness of periodicity of physical verification evaluated by verifying following:		
	<ul style="list-style-type: none"> <li>• written instructions issued by the management.</li> <li>• duly authenticated physical verification sheets.</li> <li>• duly authenticated summary sheets/ consolidation sheet.</li> <li>• internal memo, etc., regarding issues arising on physical verification.</li> <li>• any other documents evidencing physical verification.</li> </ul>		
(c)	Whether the original physical verification sheets have been reviewed and selected items traced into the final inventories? (including the more valuable ones as per ABC classification)		
(d)	Whether the comparison of final inventories with stock has been done? Whether records and other corroborative evidence, e.g. inventory statements submitted to banks?		
(e)	In case of continuous stock taking method, whether management:		
	(i) maintains adequate and up-to-date stock records; (ii) has established adequate procedures for physical verification of inventories, so that in the normal circumstances, the programme of physical verification will cover all material items of inventory at least once during the year; and (iii) checks/examines thoroughly and corrects all material differences between the book records and the physical counts.		
(f)	Whether stock register is updated and value of inventory extracted from it tally with the books of account.		
(g)	Whether any discrepancies of 10% or more in aggregate for each class of inventory were noticed (in terms of value) in the		

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	<p>stock records/ register as compared to books of account?                      If yes, how the same have been dealt with in the books of account as well as in the stock records?                      In case discrepancy cannot be determined, state this fact.</p>		
	Conclusion:		
<b>3(ii)(b)</b>	<b>Whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;</b>		
(a)	Whether the company has availed/taken working capital limits from banks/financial institutions during the year on the basis of security of current assets.		
(b)	Whether the sanctioned working capital limits have been checked from the sanction letter issued to the company by banks/financial institutions.		
(c)	Whether at any point of time during the year, the sanctioned limit (including fresh sanction, limits renewed and due for renewal) exceeds Rs. 5 crores.		
(d)	Whether fund based and non-fund based working capital limits have been examined by the auditor for determining the limit of Rs. 5 crores.		
(e)	Whether the register of charges and relevant documents have been examined for charge created on the current assets.		
(f)	<p>Whether the company files returns/statements with the banks/financial institutions; if so, whether a list of the same has been taken on record by the auditor.</p> <p>An illustrative list of documents which should be examined by the auditor in this regard are -</p> <ul style="list-style-type: none"> <li>i. stock statements</li> <li>ii. book debt statements</li> <li>iii. statement on ageing analysis of debtors/other receivables</li> <li>iv. report/statement of other financial information submitted to the lenders</li> </ul>		
(g)	Whether the terms of sanction expressed in the agreements/other documents and other information relevant to reporting under this clause has been taken on record by the auditor.		
(h)	<p>Where the company files quarterly returns/statements, whether the same has been taken on record by the auditor and compared with the books of account.</p> <p>During comparison, the following parameters may be</p>		

	<p>considered -</p> <p>i. quantity and value of stocks</p> <p>ii. amount of debtors/creditors</p> <p>iii. ageing analysis of debtors etc.</p>		
(i)	Whether any discrepancy arose during such comparison and a list of the same is made by the auditor.		
(j)	Whether the auditor holds discussion with the management for the reasons and details of such discrepancies; whether the auditor is satisfied with the same; obtain management representation wherever necessary.		
(k)	Whether the auditor using his professional judgement and considering the impact of the same on the financial statements has dealt with the above discrepancies in his report; and has reported the same in such manner that is understandable to the users of the financial statements.		
	Conclusion:		
<b>3(iii)(a)</b>	<p><b>Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,</b></p> <p><b>(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate -</b></p> <p><b>(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;</b></p> <p><b>(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;</b></p>		
(a)	Has the company granted any loans/advances in nature of loans (Secured or Unsecured), provided guarantee/security to companies, firms, limited liability partnerships or any other parties?		
(b)	Where the company has granted any loans/advances in nature of loans to parties and squared off during the year, obtain details of such transactions.		
	Conclusion:		
<b>3(iii)(b)</b>	<b>Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are not prejudicial to the company's interest;</b>		
(a)	Whether the terms of the investments, loans/advances in nature of loans, guarantee/security are prima facie prejudicial to		



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	<p>interest of the company, due consideration to be given to the factors mentioned below:</p> <ul style="list-style-type: none"> <li>• terms &amp; condition of the loans/advances in nature of loans like terms and period of repayment, rate of interest, restrictive covenants etc.,</li> <li>• company's financial standing, its ability to lend, invest, provide guarantee/security and terms thereof,</li> <li>• borrower's financial standing,</li> <li>• the nature of the security,</li> <li>• prevailing rate of interest etc.</li> </ul>		
(b)	Whether compliance with applicable law has been ensured (this would assist in identification of whether terms are prejudicial to the interest of the company).		
	Conclusion:		
<b>3(iii)(c)</b>	<b>In respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</b>		
(a)	Whether the schedule of repayment of principal and payment of interest has been stipulated in the loan/advances in nature of loan agreements / mutually agreed letter of arrangement at the time of sanction?		
(b)	Whether repayment of principal amount and interest thereon are received regularly on the due date or immediately thereafter?		
(c)	If not, the fact and details should be obtained.		
	Conclusion:		
<b>3(iii)(d)</b>	<b>If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;</b>		
(a)	Whether list of overdue amount has been prepared & recorded and reasonable steps taken for recovery of amount of loan which is overdue for more than ninety days?		
(b)	<p>Following documents may be seen for verification of reasonableness of steps taken by the company for recovery of principal and accrued interest on loan granted:</p> <ul style="list-style-type: none"> <li>• Facts of each case including amounts involved</li> <li>• Issue of reminder</li> <li>• Sending of advocates or solicitor's notice</li> <li>• Obtaining enhanced security</li> </ul> <p>In absence of legal steps whether auditor is satisfied that</p>		

	reasonable steps have been taken.		
(c)	Obtain management representation regarding steps that have been taken for recovery of total amount overdue for more than ninety days.		
	Conclusion:		
<b>3(iii)(e)</b>	<b>Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [not applicable to companies whose principal business is to give loans];</b>		
(a)	Examine whether in respect of loans overdue, fresh loans were granted/extension made/renewal done to settle the overdues of existing loans given to the same parties.		
	Conclusion:		
<b>3(iii)(f)</b>	<b>Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;</b>		
(a)	Examine whether there are instances of such loans/advances in nature of loans <i>vis-a-vis</i> total loans/advances in nature of loans. Further, consider portion of such loans/advances in nature of loans granted to promoters under section 2(69) and related parties under section 2(76) of the Companies Act 2013.		
(b)	Check the mathematical accuracy of aggregate amount and percentage that needs to be reported upon.		
	Conclusion:		
<b>3(iv)</b>	<b>In respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;</b>		
(a)	Where company has given loans to directors etc.:		
	(i) Whether any loans given directly or indirectly to directors or any person in whom any of the director of the company is interested, or given any guarantee or provided any security in connection with any loan taken by directors or such other person?		
	(ii) Whether any of the transaction is attracting the provisions of section 185?		
	(iii) Whether any of such transactions are covered under the exceptions provided under section 185? If so, obtain the		

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	relevant evidence ensuring such exemption.		
(b)	Where company has made loan/ investment:		
	(i) Obtain the details of loans given and investment made by the company including opening balances. Also obtain the details regarding guarantee given or security provided by the company.		
	(ii) Whether the company has made investment through more than two layers of investment companies?		
	(iii) Whether the company has exceeded the limit of sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more?		
	(iv) If the limit exceeded, whether prior approval by means of a special resolution passed at a general meeting has been obtained?		
	(v) Whether the rate of interest charged is more or at par to the rates specified in sub-section (7) of section 186 of the Act, if not, the reasons thereof.		
	Conclusion:		
<b>3(v)</b>	<b>In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;</b>		
(a)	If the company has accepted deposits or amounts which are deemed to be deposits from the public, state whether:		
	(i) The directives issued by the Reserve Bank of India have been complied with and also that: (ii) The provisions of Sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder have been complied with. (iii) List out contraventions, if any.		
(b)	Where an order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of above, examine the steps taken by the company to comply with the order, and if not, report briefly stating therein the nature of contravention and the fact that company has not complied with the order.		

	Conclusion:		
<b>3(vi)</b>	<b>Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained;</b>		
(a)	Whether cost records have been prescribed for the company under section 148(1) of the Companies Act, 2013?		
(b)	If so, examine whether proper cost accounts and records are made and maintained by the Company as specified- Obtain Form CRA-A.		
	Conclusion:		
<b>3(vii)(a)</b>	<b>Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</b>		
(a)	Whether a list of statutory dues which company is required to deposit regularly has been obtained.		
	Note: Any sum, which is to be regularly paid to an appropriate authority under a statute (whether Central, State or Local or Foreign) applicable to the company, should be considered as a "statutory due".		
(b)	In case where there are no arrears on the balance sheet date but the company has been irregular during the year in depositing the statutory dues, the fact should be stated.		
(c)	Whether the Company has been generally regular in depositing statutory dues or otherwise, indicate the same.		
	Note: A matter is disputed where there is a positive evidence or action on the part of the company to show that it has not accepted the demand for payment of tax or duty, e.g., where it has gone into appeal.		
(d)	Whether penalty and/or interest levied under the respective law is included under amounts payable?		
(e)	Ensure that disclosure is restricted to the actual arrears and should not include the amounts which have not fallen due for deposit and have been shown as arrears at the balance sheet date.		
(f)	Whether the information about arrears of outstanding statutory dues is provided in the format: <ul style="list-style-type: none"> <li>• Name of the Statute</li> </ul>		

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	<ul style="list-style-type: none"> <li>• Nature of the dues</li> <li>• Amount (Rs.)</li> <li>• Period to which amount relates</li> <li>• Due date</li> <li>• Date of Payment</li> </ul>		
(g)	<p>Whether a written representation with reference to the date of the balance sheet obtained from the management:</p> <ul style="list-style-type: none"> <li>• specifying the cases and the amounts considered disputed;</li> <li>• containing a list of the cases and the amounts in respect of the statutory dues which are undisputed and have remained outstanding for a period of more than six months from the date they became payable;</li> <li>• containing a statement as to the completeness of the information provided by the management.</li> </ul>		
(h)	<p>Whether any register of significant laws with which the company has to comply within its particular industry and a record of complaints in respect of non-compliance been maintained?</p>		
	Conclusion:		
<b>3(vii)(b)</b>	<p><b>Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (a mere representation to the concerned Department shall not be treated as a dispute);</b></p>		
(a)	<p>Review internal audit report, minutes of the meeting of the Board of Directors and audit committee.</p>		
(b)	<p>Ensure that information about arrears of disputed statutory dues is provided in the format:</p> <ul style="list-style-type: none"> <li>• Name of the Statute</li> <li>• Nature of the dues</li> <li>• Amount (Rs.)</li> <li>• Period to which the amount relates</li> <li>• Forum where dispute is pending</li> </ul>		
(c)	<p>Ensure that disclosure is restricted to the amounts which have not been deposited on account of any dispute, irrespective of the treatment of such disputed amount in accounts.</p>		
(d)	<p>In case, the company has made the deposit under protest, the fact of such deposit having been made under protest should be stated under this clause.</p>		
	Conclusion:		

<b>3(viii)</b>	<b>Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;</b>					
(a)	Whether financial statements have been obtained and listing of sources of income has been obtained.					
(b)	Whether details of any proceedings/ assessment made during the financial year under audit obtained.					
(c)	Whether written representation with reference to the year under audit obtained from the management: <ul style="list-style-type: none"> <li>• specifying the income which are not recorded in the books of account and have been disclosed/surrendered by the assessee during the year.</li> <li>• containing a year wise listing of amount disclosed/ surrendered.</li> <li>• containing reasons for non-disclosure earlier and source of income.</li> <li>• containing impact of such unrecorded transactions on the financial statements.</li> <li>• containing statement as to completeness of the information provided by the management.</li> </ul>					
	Conclusion:					
<b>3(ix)(a)</b>	<b>Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:</b>					
	Nature of borrowing including debt securities	Name of lender*	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
		* lender wise details to be provided in case of defaults to banks, financial institutions and Government.				
(a)	Whether all defaults committed during the year and number of days of default are reported irrespective of whether these defaults have been rectified at the balance sheet date?					
(b)	Whether all defaults existing at the balance sheet date are reported irrespective of when those defaults have occurred?					

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(c)	In case of defaults to banks, financial institutions, and government, whether lender wise details reported?		
(d)	If application of re-schedulement of loan has been made whether the fact has been stated. Where reschedulement has been approved subsequent to balance sheet date, whether defaults reported?		
(e)	Whether the disputes between the company and the lender on various issues give rise to disclaimer stating the fact there is a dispute between the company and the lender and accordingly the auditor is unable to determine whether there is a default in repayment of dues to the lender concerned?		
	Conclusion:		
<b>3(ix)(b)</b>	<b>Whether the company is a declared wilful defaulter by any bank or financial institution or other lender;</b>		
(a)	Whether the company has defaulted in repayment of loans and/ or payment of interest?		
(b)	Does the auditor's procedures- confirmation from lender or research of information in public domain indicate that the company has been declared a wilful defaulter?		
(c)	Enquire from the management if the company has been declared a wilful defaulter by any lender as at the date of the balance sheet or on the date of signing of audit report.		
(d)	Has the company received any show-cause notice in accordance with RBI Master Circular dated July 1, 2015 on Wilful Defaulters?		
	Conclusion:		
<b>3(ix)(c)</b>	<b>Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;</b>		
(a)	Whether the company has taken any term loan?		
(b)	Examine the terms and conditions subject to which the company has obtained the term loans including purpose for which term loans were sanctioned.		
(c)	Compare the purpose for which term loans were sanctioned with the actual utilisation of the loans and obtain sufficient appropriate audit evidence regarding the utilisation of the amounts raised.		
(d)	In case, during a construction phase surplus funds were temporarily invested, however, subsequently the same are utilised for the stated objectives, mention the fact that the funds were temporarily used for the purpose other than for which the		

	loan was sanctioned but were ultimately utilised for the stated end-use.		
(e)	Where the Company has taken general purpose loans, whether these have been utilized for purposes considered as diversion by RBI Master Circular dated July 1, 2015 on Wilful Defaulters.		
(f)	Whether the fund flow statement has been reviewed where one to one correlation was not possible.		
(g)	Whether term loans taken were not applied for stated purpose during the year for any reason? If yes, mention the facts and amount. Also disclose the fact about utilization of term loan of earlier year in current year.		
	Conclusion:		
<b>3(ix)(d)</b>	<b>Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;</b>		
(a)	Whether movement of funds of company can be examined and verified and such movement also be supported by relevant documentation, direct relationship between particular funds and an asset from the balance sheet can be ascertained.		
(b)	Whether trail is available to show that movement of source and application of funds and a direct relationship between them? If not, determine movement and application of funds on an overall basis.		
(c)	Whether funds raised on short term basis have been applied for long-term requirements of the company?		
	Conclusion:		
<b>3(ix)(e)</b>	<b>Whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of transactions and the amount in each case;</b>		
(a)	Whether the company has incurred expenses on behalf of its subsidiaries, joint ventures or associates or has paid amounts to others on behalf of its subsidiaries, joint ventures or associates?		
(b)	Has the company granted loans or advances to subsidiaries, joint ventures or associates?		
(c)	Whether there is prima facie any evidence of diversion of borrowed funds to subsidiaries, joint ventures, associates based on examination of terms and conditions of borrowed funds?		
(d)	Based on review of the cash flow statement, whether the company has net positive cash flows in excess of amounts granted as loans/ advances or amounts spent to meet the		



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	obligations of its subsidiaries, joint ventures or associates?		
	Conclusion:		
<b>3(ix)(f)</b>	<b>Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;</b>		
(a)	Whether the company has raised any loans during the year from any lender?		
(b)	Whether the terms and conditions of loan agreement specify the security against loans raised during the year?		
(c)	Whether any charge has been created in respect of any investment of the company in subsidiaries, joint ventures or associate companies?		
(d)	Based on (b) and (c) above, whether any loan raised during the year has been so raised on the pledge of securities held in subsidiaries, joint ventures or associate companies?		
(e)	Whether the company has defaulted in repayment of such loans (principal or interest or both)?		
	Conclusion:		
<b>3(x)(a)</b>	<b>Whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</b>		
(a)	Whether the company raised money by way of initial public offer or further public offer of equity shares, convertible securities or debt securities?		
(b)	Examine the terms and conditions stated in the offer document subject to which the company has raised the above mentioned money.		
(c)	Whether the end use of the money raised (as mentioned above) is capable of being determined? If not state the fact.		
(d)	Whether the said end-use of money disclosed in the financial statements by way of a Note is significantly different from the actual end use? If so, state the fact.		
(e)	Examine the various documents submitted to SEBI, offer document and also examine the report of board of directors, if available, to find out whether funds raised have been utilized for the purpose for which they were raised.		
(f)	Whether a representation from the management has been obtained as to the completeness of the disclosures with regard		

	to the end-use of moneys raised by initial public offer and further public offer?		
(g)	Whether the fund flow statement has been reviewed where one to one correlation is not possible.		
(h)	In case the moneys raised have not been applied during the year, mention the fact that the moneys raised during the year have not been utilised.		
(i)	In case during a construction phase surplus funds were temporarily invested, however, subsequently the same are utilised for the stated objectives, mention the fact that the funds were temporarily used for the purpose other than for which they were raised but were ultimately utilised for the stated end-use.		
(j)	Whether funds raised/obtained were not applied for stated purpose during the year for any reason? If yes, mention the facts and amount. Also disclose the fact about utilization of funds raised during earlier year in current year.		
(k)	If, for any reason, the auditor is not able to verify the end-use of money raised, the fact that he is not able to comment upon the disclosure along with the reasons which resulted in the inability should be stated.		
(l)	Consider the implications of non-compliances above also in the auditor's report on the financial statements.		
	Note: Reporting under this Clause is required also in instances where the amounts have been raised in earlier year(s) and are being utilized during the current year.		
	Conclusion:		
<b>3(x)(b)</b>	<b>Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;</b>		
(a)	Has the Company made any preferential allotment or private placement of shares or fully convertible debentures during the year?		
(b)	Obtain a statement containing the specific terms of offer for private placement, including purpose for which funds were raised, and the details of subsequent application-amounts, dates and the purpose.		
(c)	Ascertain whether the offer and allotment of securities referred in (a) above are in compliance with the requirements of section 42 and section 62 of the Act.		

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(d)	Based on the understanding so gained, perform a reasonable test check of compliance with the requirements of the Act.		
(e)	Whether the fund flow statement has been reviewed where one to one correlation is not possible.		
(f)	In case the moneys raised have not been applied during the year, mention the fact that the moneys raised during the year have not been utilised.		
(g)	In case during a construction phase surplus funds were temporarily invested, however, subsequently the same are utilised for the stated objectives, mention the fact that the funds were temporarily used for the purpose other than for which they were raised but were ultimately utilised for the stated end-use.		
(h)	Whether funds raised/obtained were not applied for stated purpose during the year for any reason? If yes, mention the facts and amount. Also disclose the fact about utilization of funds raised during earlier year in current year.		
(i)	If, for any reason, the auditor is not able to verify the end-use of money raised, the fact that he is not able to comment upon the disclosure along with the reasons which resulted in the inability should be stated.		
(j)	Consider the implications of non-compliances above also in the auditor's report on the financial statements.		
	Note: Reporting under this Clause is required also in instances where the amounts have been raised in earlier year(s) and are being utilized during the current year.		
	Conclusion:		
<b>3(xi)(a)</b>	<b>Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;</b>		
(a)	Has SA 240 been complied with? (Attach the checklist for compliance of SA 240 with this checklist also).		
(b)	Examine the following to ascertain whether any fraud has been reported or noticed by the management:		
	<ul style="list-style-type: none"> <li>• the reports of the internal audit.</li> <li>• the auditor should enquire from the management about any frauds by the company or any fraud on the company that it has noticed or that have been reported to it.</li> <li>• discuss the matter with other employees including officers of the company.</li> </ul>		

	<ul style="list-style-type: none"> <li>examine the minutes book of the board meeting, audit committee etc., of the company in this regard.</li> </ul>		
(c)	Where any fraud by the company or any fraud on the company has been noticed or reported, determine the nature and amount of frauds and disclose the same. Obtain management representation to this effect.		
	Conclusion:		
<b>(xi)(b)</b>	<b>Whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;</b>		
(a)	Whether any fraud has been reported by the auditor during the year and upto the date of issuance of auditor's report under section 143(12) in Form ADT 4, the same should be reported under this clause.		
	Conclusion:		
<b>3(xi)(c)</b>	<b>Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;</b>		
(a)	Check as to whether the company has an ethics/whistle blower/ hotline process with adequate procedures to handle anonymous complaints (received from inside and outside the company), and to accept confidential submission of concerns about questionable accounting, internal control, or auditing matters.		
(b)	Evaluate whether whistle blower complaints are investigated and resolved by the company in a timely manner.		
(c)	In case of a listed company, examine whether vigil mechanism has been established in accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of unlisted (public or private) companies, examine whether vigil mechanism has been established in accordance with the requirements of the Companies Act, 2013. For other companies, examine whether companies have established a vigil mechanism/whistle blower mechanism on a voluntary basis.		
(d)	Obtain from the management all whistle blower complaints received through such vigil mechanism/hotline process and review the whistle blower complaints.		
(e)	Enquire from the management about investigation of all such whistle blower complaints received and the findings, if any.		
(f)	Consider when whistle-blower complaint is received or have been identified, during the course of the audit, whether fraud assessment done in accordance with Guidance Note on		

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	Reporting on Fraud under Section 143(12) of the Companies Act, 2013 issued by ICAI.		
(g)	Obtain written representation from the Board/ Audit Committee, management for completeness of such whistle blower complaints received by the company.		
	Conclusion:		
<b>3(xii)</b>	<p><b>(a) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;</b></p> <p><b>(b) Whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;</b></p> <p><b>(c) Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;</b></p>		
(a)	Is the Company a Nidhi Company?		
	Assess if the Company is registered as a Nidhi Company as per provisions of Section 406 of the Companies Act 2013 or Section 620A of the Companies Act, 1956.		
(b)	<p>Check compliance with the following:</p> <p>a) Whether the net owned funds to deposits ratio is more than 1:20 to meet out the liability as on the date of balance sheet?</p> <p>b) Examine whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.</p>		
(c)	<p>Whether the calculation of net owned funds is done as per Rule 3(1)(d) of Nidhi Rules 2014 which includes equity share capital and free reserves as reduced by accumulated losses and intangible assets appearing in the last audited balance sheet.</p> <p>Assess if the proceeds of issue of preference shares have been included in the net owned funds.</p> <p>Ensure that ratio is computed by using the figures of net owned funds and deposit liability computed in accordance with as stated under this clause.</p>		
(d)	Examine the terms and conditions stated in the documents relating to taking of deposits, subject to which the company has raised the deposits, with regard to the amount and due dates of payments of deposits as well as the interest thereon.		
(e)	Whether all defaults relating to the payment of interest on deposits or repayment of deposits, which existed at any time during the year including those relating to any earlier period and also including those which have been made good during the accounting period, are reported irrespective of the period when those defaults had occurred or the fact that those		

	defaults have been made good subsequently during the accounting period.		
(f)	If the default of repayment of deposit or the payment of interest on deposits has been made good during the accounting period, whether the fact has been stated.		
(g)	Whether the disputes between the company and the depositor on issues relating to repayment of deposit or interest thereon, give rise to disclaimer stating the fact there is a dispute between the company and the depositor and the auditor is unable to determine whether there is a default in repayment of the deposit or interest thereon, to the depositor concerned.		
	Conclusion:		
<b>3(xiii)</b>	<b>Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;</b>		
(a)	Obtain a statement containing details of transactions with related parties.		
	<p>Obtain a list of companies, firms or other parties, the particulars of which are required to be entered in the register maintained under section 189 of the Act.</p> <p><i>Please refer the note below</i></p> <p>Obtain declarations made by the directors in Form MBP-1 i.e., general notice received from a director under Rule 9(1) of the Companies (Meetings of Board and Power) Rules, 2014.</p> <p>Verify the entries made in the register under section 189 with such statement from management and declarations received from directors.</p> <p>Assess the additions/ deletions to such list for appropriateness based on relevant declarations.</p>		
(b)	Obtain understanding of requirements of section 177 and 188 of the Act in relation to related party transactions.		
(c)	Perform reasonable check to ascertain completeness and accuracy of details in the statement.		
(d)	Ascertain the system and procedures of the company to ensure compliance with the provisions of section 177 and 188 of the Act including the assessment of identification of related parties and whether the transaction is at arm's length and basis of such conclusion.		
(e)	Based on the understanding so gained, perform a reasonable test check of compliance with the aforesaid requirements of the Act.		

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(f)	Examine minutes of meetings of the audit committee and agreements underlying related party transactions to ascertain audit committee approval for the transactions.		
(g)	Examine the minutes of Board meetings to ascertain whether requisite approvals of Board is obtained for certain related party transactions as required under section 188 of the Act.		
(h)	Where shareholders' approval is required, check whether the requisite approvals have been obtained as required under Section 188 of the Act.		
(i)	Examine whether related party disclosures are made in the financial statements as per the requirements of AS 18 or Ind AS 24 as may be applicable.		
(j)	Examine whether disclosure related to contracts or arrangements with related parties as mandated by section 188 are made in Board's report.		
	Including the assessment of identification of related parties and whether the transaction is at arm's length and basis of such conclusion.		
(k)	Consider the implications of non-compliances above also in the auditor's opinion on the financial statements.		
	Note: There cannot be a common list in respect of related party transactions. The scope of Ind AS 24 is wider and some persons need to be additionally identified than those mentioned in Section 2(76), Section 2(77) of Companies Act, 2013 e.g. Close members, Dependents of a relative. Two separate lists are required since some parties are "related" as per Section 188 read with definitions and Rule 4 of Companies (Specification of Definition Details) Rules, 2014 whereas may or may not be "related party" on application of Ind AS 24.		
	Conclusion:		
<b>3(xiv)(a)</b>	<b>Whether the company has an internal audit system commensurate with the size and nature of its business;</b>		
	Have you considered the following factors to determine whether the internal audit system is commensurate with the size of the company and nature of its business?		
(a)	Is there an internal audit system in the Company? (Mere internal check should not be considered as internal audit).		
(b)	Whether the company has appointed internal auditor in compliance with section 138 of the Act and applicable rules?		

(c)	Has the internal audit been conducted by a separate internal audit department or by external professional firm?		
(d)	Is the internal audit department sufficient in size and properly manned to perform the internal audit function?		
(e)	Is the head of the internal audit department a qualified professional?		
(f)	Is internal audit department independent of the accounting department?		
(g)	To whom the internal audit department is responsible?		
(h)	In case of listed companies, whether provisions of SEBI LODR Regulations have been complied with and whether the head of internal audit is present in the audit committee meeting?		
(i)	Whether the internal auditor has adequate technical assistance to discharge his functions?		
(j)	Do the Internal Auditors have questionnaires or guide manual?		
(k)	Whether internal audit work is carried out according to a plan and programme and, if so what are the areas covered in this year?		
(l)	Whether adequate files and records are maintained by the Internal Auditors?		
(m)	Do the internal auditors' reports give: <ul style="list-style-type: none"> <li>• Conclusions on the audit?</li> <li>• Exceptions to the accounts and records?</li> <li>• Recommendations on the internal control and procedures?</li> </ul>		
(n)	With respect to the internal auditors' reports: <ul style="list-style-type: none"> <li>• are they sent to an appropriate operating official?</li> <li>• is corrective/ remedial action initiated?</li> <li>• do internal auditors follow up to see that appropriate action is taken?</li> <li>• do the files indicate that appropriate action was taken?</li> </ul>		
	Conclusion:		
<b>3(xiv)(b)</b>	<b>Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;</b>		
(a)	Whether all the reports of the internal auditors covering upto the end of the financial year under audit are made available sufficiently in advance?		



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(b)	Whether management has taken appropriate action to ensure that all observations/findings in relation to control deficiencies having financial impact are remediated?		
(c)	Whether to reassess the nature, timing and extent of the audit procedures based on the observations noted by the internal auditor?		
(d)	Whether the control deficiency identified is a significant deviation or material weakness?		
(e)	If, for any reason, all or some of the internal audit reports are not available, or do not adequately address the plan and scope required, appropriate disclosure shall be made under this clause.		
(f)	Implications of control deficiencies / non-compliances above shall be considered in the auditor's report on the financial statements.		
	Conclusion:		
<b>3(xv)</b>	<b>Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;</b>		
(a)	Obtain a statement containing list of directors of the company, its holding company, subsidiary and associate companies and persons connected with the directors.		
(b)	<p>Scrutinise the following books of account, records and documents which could provide source of such audit evidence to the auditor as to the existence of such non-cash transactions as well as persons connected with the Directors:</p> <p>(i) Form No. MBP 1, Notice of Interest by Director, filed pursuant to the Companies (Meetings of Board and Its Powers) Rules, 2014.</p> <p>(ii) Form No. MBP 2, Register of Loans, Guarantee, Security and Acquisition Made by the Company, filed pursuant to the Companies (Meetings of Board and Its Powers) Rules, 2014.</p> <p>(iii) Form No. MBP 4, Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors are Interested, filed pursuant to the Companies (Meetings of Board and Its Powers) Rules, 2014.</p> <p>(iv) Movements in the Property, Plant and Equipment Register.</p> <p>(v) Minutes book of the General Meeting, Meetings of Directors and Audit Committee Meetings.</p> <p>(vi) Report on Annual General Meeting pursuant to Companies (Management and Administration) Rules, 2014.</p>		

(c)	Obtain a statement from management containing transactions between the Company and director(s) referred to above.		
(d)	Perform reasonable check to ascertain non-cash transactions.		
(e)	Obtain understanding of requirements of section 192 of the Act.		
(f)	Based on the understanding so gained, perform a reasonable test check of compliance with the aforesaid requirements of the Act.		
(g)	Consider the implications of non-compliances above also in the auditor's opinion on the financial statements.		
(h)	Obtain management representation letter about the nature of transactions executed by the company with Directors and companies in which directors are interested.		
(i)	Go through business related internet sites like moneycontrol.com to understand about any transactions which are required to be considered for reporting under this clause.		
(j)	Go through the BSE/ NSE websites (in case of listed companies) for the information reported by the company to the stock exchanges.		
	Conclusion:		
<b>3(xvi)(a)</b>	<b>Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained;</b>		
(a)	Examine whether the company is registered with Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act 1934.		
(b)	If the company is registered, obtain a copy of the registration certificate issued by Reserve Bank of India and verify the validity of the certificate.  (As an additional measure the RBI's website can be referred to ascertain whether the name of the company is included in the list of registered companies)		
(c)	If the company is not registered with Reserve Bank of India, examine the financial statements of the Company and assess whether the company has Financial Activity as the Principal Business.  Note: Financial activity as principal business is when a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitutes more than 50 per cent of the gross income.		

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(d)	If the company has Financial Activity as the Principal Business, examine whether the company has applied to Reserve Bank of India for registration.		
(e)	If the company has Financial Activity as the Principal Business and has applied to RBI for registration examine whether the company has complied with the requirements of Net Owned Funds and other requirements of registration.		
(f)	If the company has Financial Activity as the Principal Business and has not applied to RBI for registration examine the reasons and record the same for suitable reporting under this clause.		
(g)	Examine the steps taken by the company to comply with requirements of the RBI Act, 1934 with respect to registration as a NBFC. Also examine the correspondence and documents filed with the RBI, minutes of the Board meeting.		
(h)	Consider the implications of non-compliances above also in the auditor's opinion on the financial statements.		
	Conclusion:		
<b>3(xvi)(b)</b>	<b>Whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;</b>		
(a)	Examine the Financial Statements and other relevant records/information to ascertain whether the Company is conducting any Non-Banking Financial or Housing Finance activities.		
(b)	If the company is conducting any Non-Banking Financial or Housing Finance Activities, ascertain whether the company is registered with RBI or has the company made an application before the relevant authorities for the registration.		
(c)	If the company has carried on the activity of Non-Banking Financial or Housing Finance activities and has neither obtained a registration nor applied for registration, ascertain the reasons for the same.		
(d)	If the company is required to get registered and has not taken suitable steps to do so, ascertain the impact if any on the opinion on the financial statements.		
	Conclusion:		
<b>3(xvi)(c)</b>	<b>Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;</b>		

(a)	Examine the financial statements and other information/records maintained by the Company to ascertain whether the company is carrying on the business of acquisition of shares and securities.		
(b)	<p>If the company is carrying on the business of acquisition of shares and securities ascertain the following:</p> <ul style="list-style-type: none"> <li>i. it holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies</li> <li>ii. its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies and units of Infrastructure Investment Trust only as sponsor constitute not less than 60% of its net assets as mentioned in clause (i) above</li> <li>iii. it does not trade in its investments in shares, bonds, debentures, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;</li> <li>iv. it does not carry on any other financial activity referred to in Section 45I(c) and 45I (f) of the Reserve Bank of India Act, 1934 except as provided [refer RBI Master Direction on Core Investment Companies (Reserve Bank) Directions 2016]</li> </ul>		
(c)	<p>If the company satisfies the conditions mentioned above ascertain whether it is a Systematically Important Core Investment Company (CIC-ND-SI)</p> <p>A CIC-ND-SI is a Core Investment company which has total assets of more than Rs.100 Crores (either individually or along with other CICs in the Group) and which raises or holds public funds.</p>		
(d)	If the company is a CIC-ND-SI ascertain whether the company has made an application to the RBI for registration.		
(e)	<p>If the company meets the definition of CIC and having total assets less than Rs. 100 Crores (along with other CICs in the Group), examine the following:</p> <ul style="list-style-type: none"> <li>(i) The Company does not has access to Public Funds</li> <li>(ii) Obtain a copy of the Board Resolution stating that it will not in the future access public funds</li> <li>(iii) The company or other CIC in the group does not have overseas investment in the Financial Sector.</li> <li>(iv) If the company has provided guarantee on behalf of the entities in the Group, obtain a confirmation from the company that it will be able to meet the obligation</li> </ul>		

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	thereunder without access to public funds. (This confirmation needs to be validated based on the information and explanations available on record)		
(f)	If the company is not in compliance with any of the conditions mentioned in the previous point, ascertain whether the company has taken adequate measure to obtain registration with RBI.		
(g)	If the company has not complied with any of the conditions of exempted CIC but continues to carry on the business without obtaining registration with RBI, examine the impact of the same on the opinion on the financial statements.		
(h)	In the case of Core Investment Companies classified as CIC-ND-SI examine whether: (i) The adjusted net worth is not less than 30% of its aggregate risk weighted assets. (ii) The outside liabilities at no point of time exceeded 2.5 times its adjusted net worth.		
	Conclusion:		
<b>3(xvi)(d)</b>	<b>Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;</b>		
(a)	Obtain a list of all the entities in the Group along with the representation from management about the CIC in the group (including CICs exempt from registration and CICs not registered) and completeness thereof.  (As an additional measure the auditor can corroborate this list of CICs with the list of registered CICs available in the RBI website.)		
(b)	Obtain a copy of the registration certificates of CIC-ND-SI in the Group.		
(c)	Obtain a Management Representation for the CICs exempt from the registration that it continues to be a CIC not requiring registration and has fulfilled the conditions thereof.		
(d)	In case the auditor is required to communicate to the Component Auditors of other entities in the Group by way of Group Audit Instructions, ensure that compliance of the Directions of RBI with respect to Core Investment Companies is included as part of the Instructions.		
	Conclusion:		
<b>3(xvii)</b>	<b>Whether the Company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;</b>		

(a)	Whether the cash losses have been computed by the auditor as per guidance given in Paragraph 82 of this Guidance Note?		
(b)	Whether the company has incurred cash losses in the current year?		
(c)	Whether the company has incurred cash losses in the immediately preceding financial year?		
(d)	Whether effect of qualifications in audit report on cash losses considered? In case qualification is not capable of being quantified, whether the fact is stated in the audit report?		
	Conclusion:		
<b>3(xviii)</b>	<b>Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;</b>		
(a)	Examine the previous report (audit/review) issued by the outgoing auditor to assess whether any modification was included by the outgoing auditor.		
(b)	Seek copy of Form ADT-3 / Annexure A (in case of listed company) and copy of letter of resignation from the management/outgoing auditor.		
(c)	Communicate with outgoing auditor as required under ICAI Code of Ethics, while communicating seek necessary clarification if required in context of audit report/review report issued by outgoing auditor.		
(d)	Consider the implications of non-compliances considered by outgoing auditor in his audit/review report on audit procedures.		
	Conclusion:		
<b>3(xix)</b>	<b>On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;</b>		
(a)	Whether the management has made a detailed assessment and concluded on going concern based on such assessment?		
(b)	Whether any disclosure as per AS 1 or Ind AS 1 has been made with regard to the going concern in the financial statements?		
(c)	Whether sufficient appropriate audit evidence has been obtained w.r.t. going concern in accordance with SA		

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	570(Revised) to conclude that no material uncertainty exists about the entity’s ability to continue as a going concern?		
(d)	Whether main audit report contains a paragraph on ‘Material uncertainty related to going concern’ or ‘key audit matter on going concern indicators’?		
(e)	Where the going concern assumption has been considered appropriate due to support letters provided by the holding company, but the company may not be able to meet its liabilities falling due within a period of one year from the balance sheet date, has the auditor evaluated whether the holding company has the ability to discharge the financial liabilities of the company as and when they fall due. Has the fact been reported?		
(f)	Whether the test of existence of material uncertainty has been made as on a date close to audit report with respect to the liabilities existing at the date of balance sheet considering the subsequent period transactions between the date of balance sheet and the date of audit report.		
(g)	Whether the necessary financial ratios along with the detailed working, necessary to frame report under this clause have been obtained as on the date of balance sheet and also on a date near to the date of audit report?		
(h)	Whether the details of liabilities existing at the date of balance sheet along with their expected dates of payments as well as evidence in respect thereto have been obtained to identify those falling due within one year from the balance sheet date.		
(i)	Whether the ageing and expected dates of realization of financial assets and payment of financial liabilities have been obtained from the management along with the necessary evidence.		
(j)	Where companies like Non-Banking Financial Companies/ Housing Finance Companies are required to disclose their asset liability maturity (ALM) pattern in the financial statements, whether due consideration to the information furnished in the ALM disclosure has been considered.		
(k)	Whether the audit procedures in accordance with SA 560 “Subsequent Events” have been carried out to obtain sufficient appropriate audit evidence in respect of events requiring adjustment of, or disclosure in the financial statements.		
(l)	Whether the status about the subsequent payments of liabilities those existed at the date of balance sheet as on the date nearer to audit report, have been obtained to capture any material deviation.		

(m)	For the liabilities existing as on the date of balance sheet, which remains unpaid as on the date of audit report or date nearer to audit report, whether the detailed cash flow along with necessary evidence has been obtained ensuring that the liabilities falling due within a period of one year from the balance sheet date shall be duly discharged. Obtain the necessary evidence in the form of the management plan supported with related documentary evidence justifying the capability to pay off the liabilities as and when they fall due for payment within one year from the balance sheet date.		
(n)	Where the company has given commitments or guarantees on behalf of other entities including its subsidiaries, joint ventures and associates, whether the auditor has evaluated the financial position and plans of those entities to determine whether there would be an outflow of resources from the company which may impair its ability to meet its own liabilities as and when they fall due.		
(o)	Whether other information accompanying the financial statements including the Director's Report, Management Discussion and Analysis forming part of the Annual Report of the company have been obtained and analyzed.		
(p)	Whether the plans of the Board of Directors as well as management plans necessary to frame the audit assessment and audit opinion have been obtained along with relevant evidence?		
(q)	Whether the documentation considered by the Board of Directors related to review of liability position for those payable within one year from the date of balance sheet and corresponding payment plans has been obtained?		
(r)	Whether management representation along with sufficient details and evidence has been obtained regarding the ageing and expected dates of realization of financial assets including trade receivables as well as the payment of financial liabilities including payables and statutory liabilities etc.		
(s)	Whether management representation containing all material events and transactions post balance sheet date but before the date of audit report which could impact the paying capacity of the company and are in the knowledge of the management and the Board have been obtained.		
	Conclusion:		



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3(xx)(a)	<b>Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;</b>		
(a)	Whether the provisions of Section 135 of the Act are applicable to the company?		
	Note: In case answer to the above is no, clause 3(xx)(a) and 3(xx)(b) are not applicable to the company.		
(b)	Examine the various documents such as board approval of CSR policy, agenda and minutes of meetings of CSR Committee, the workings for calculating amount required to be spent etc. to find out the amount proposed to be spent on projects identified as per Schedule VII to the Act.		
(c)	Whether a representation from the management has been obtained as to the amount spent in respect of projects other than ongoing projects?		
(d)	Whether quantum of expenditure mentioned in (c) has been verified with appropriate supporting documents?		
(e)	Whether the amount spent is in accordance with the CSR policy of the company and in accordance with provisions of the Act?		
(f)	Whether amount unspent in respect of other than ongoing projects has been transferred to a fund specified in Schedule VII to the act within a period of six months of the expiry of the financial year?		
(g)	<p>Whether the information about amount unspent is provided in the format:</p> <ul style="list-style-type: none"> <li>• Relevant financial year</li> <li>• Amount identified for spending on CSR activities for “other than Ongoing Projects”</li> <li>• Unspent amount of above</li> <li>• Amount Transferred to Fund specified in Schedule VII to the Act</li> <li>• Due date of transfer to the specified fund</li> <li>• Actual date of transfer to the specified fund</li> <li>• Number of days of delay, if any</li> </ul>		
(h)	Whether the company has recorded a provision as at the balance sheet date to the extent necessary?		

	Note: The non-compliance, if any, of above clause in respect of earlier financial year(s), will have to be reported under this clause.		
	Conclusion:		
<b>3(xx)(b)</b>	<b>Whether any amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act;</b>		
(a)	Examine the various documents such as board approval of CSR policy, agenda and minutes of meetings of CSR Committee, the workings for calculating amount required to be spent etc. to find out the amount proposed to be spent on projects identified as per Schedule VII to the Act.		
(b)	Whether a representation from the management has been obtained as to the amount spent in respect of the ongoing projects formulated in pursuance of its CSR Policy?		
(c)	Whether quantum of expenditure mentioned in (b) has been verified with appropriate supporting documents?		
(d)	Whether the amount spent is in accordance with the CSR policy of the company and in accordance with provisions of the Act?		
(e)	Whether the company has any amount unspent in relation to ongoing projects as at the end of the financial year?		
(f)	Whether any unspent amount as specified in (e) above has been transferred by the company within thirty days from the end of the financial year to a special account earmarked for CSR activity to be opened for this purpose?		
(g)	Whether the information about non-transfer of amount unspent in respect of ongoing projects is provided in the format: <ul style="list-style-type: none"> <li>• Relevant financial year</li> <li>• Amount identified for spending on CSR activities for “Ongoing Projects”</li> <li>• Unspent amount of above</li> <li>• Amount Transferred to special account under section 135(6)</li> <li>• Due date of transfer to the account</li> <li>• Actual date of transfer to the account</li> <li>• Number of days of delay, if any</li> </ul>		
(h)	Whether the company has recorded a provision as at the balance sheet date to the extent necessary? Also whether the company has disclosed unspent amounts as commitments in the contingent liabilities and commitments section of the financial		

**Audit Working Paper Templates**

	statements in accordance with the requirements of Schedule III to the Companies Act, 2013?		
	Note: The non-compliance, if any, of above clause in respect of earlier financial year(s), will have to be reported under this clause		
	Conclusion:		
<b>3(xxi)</b>	<b>Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.</b>		
	1. Whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements?		
(a)	Obtain the list of companies (holding company/subsidiary/associate/joint venture) included in the consolidated financial statements.		
(b)	For companies included in the consolidated financial statements, has the principal auditor received CARO reports of such companies from the management of the company? If no, whether the principal auditor has mentioned appropriate remarks under this clause mentioning the details of such companies?		
(c)	Examine the CARO reports obtained from the management/component auditors or available with the principal auditor for respective companies and assess whether the observations and comments as given in the respective CARO reports are in the nature of qualifications or adverse remarks.		
	2. Indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks		
	Conclusion:		

## **Chapter 6: Completion Section**

- 6.1 Audit Report and Financial Statements
- 6.2 Audit Issues and Closure
- 6.3 Engagement Quality Control Review Process
- 6.4 Management Representation Letter
- 6.5 SUM / SAD
- 6.6 Actual Man Hours
- 6.7 Final Analytical
- 6.8 Communication with Audit Committee / Those Charged With Governance
- 6.9 CARO Checklist
- 6.10 Partner Review Documents
- 6.11 Closure
- 6.12 Procedures for Client's Documents



<b>Chapter</b>	<b>6.1</b>		Name	Initial
<b>Topic</b>	<b>Audit Report and Financial Statements</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(The draft of the audit reports are given in Standards on Auditing, we recommend the reader to use the same for various kind of audit reports. Following draft has been given as an example)*

**Illustrative Auditor’s Report Format for the accounting year beginning on or after April 1, 2022. Refer Relevant Standards on Auditing for the same.**

**Illustration 1**

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Entity is a private limited company having no subsidiaries and branches.
- Company follows the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021. (i.e. Ind AS are not followed).
- Unmodified audit opinion is issued without any Emphasis of Matter or Other Matter paragraph.
- The auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.
- Reporting under CARO 2020 is made.
- Reporting on internal financial controls with reference to financial statements as per the requirements of section 143(3)(i) of the Act is not applicable.

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of ABC Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of ABC Private Limited (“the Company”), which comprise the balance sheet as at March 31, 2023, the statement of profit and loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit/ loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s

Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### **Other Information**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the adequacy and operating effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss, and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The Company is a private limited company and it falls under the exemption specified vide notification No. G.S.R 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs. Hence, we have not reported on the adequacy and operating effectiveness of internal financial controls with reference to financial statements as per the requirements of section 143(3)(i) of the Act;
  - (g) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act, in our opinion, and according to the information and explanation given to us, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company as it is a private limited company, and
  - (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. \_\_ to the financial statements.  
Or  
The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note \_\_ to the financial statements.  
Or  
The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note \_\_\_ to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (this option to be used when the Company has not funded in the capacity of a Funding Party)

Or

(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note \_\_\_ to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (this option to be used when the funding, understanding and onward lending or investing made in the same year)

(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note \_\_\_ to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (this option to be used when the Company has not received funds in the capacity of intermediary)

Or

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note \_\_\_ to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (this option to be used when the Company has received funds in the capacity of intermediary)

(c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The Company has neither declared nor paid any dividend during the year. Or  
The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act. Or  
The interim dividend declared and paid during the year and until the date of this report by the Company is in compliance with Section 123 of the Act. Or  
The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act.  
(Report from above options as applicable)
- vi. Reporting on Rule 11(g) as applicable to the Company (Refer Implementation Guide on Reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014)

For XYZ & Co  
Chartered Accountants  
(Firm's Registration No.)

Signature  
(Name of the Member Signing the Audit Report)  
(Designation<sup>1</sup>)  
(Membership No.)  
UDIN

Place of Signature:

Date:

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<sup>1</sup> Partner or Proprietor, as the case may be.

<b>Chapter</b>	<b>6.2</b>		Name	Initial
<b>Topic</b>	<b>Audit Issues and Closure</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

Refer SA 230 for significant matters/findings and also refer para 8(c) of SA 230 for documenting the details of discussion with management and those charged with governance on the significant matters.

**Audit Memo for the year ended March 31, 2xx3**

S. No	Query/ Issue Description				Disposal by Audit Team			Status
	Caption/ Area	Particulars	Requirements from Management	Management Response	Auditor's response	Significant matters	Procedure performed	

<b>Chapter</b>	<b>6.3</b>		Name	Initial
<b>Topic</b>	<b>Engagement Quality Control Review Process</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example for process of EQCR)*

**A. Purpose:**

To document the time spent on review by the engagement quality control reviewer ('EQCR') and review comments and their disposal by the engagement team.

**B. Timing of Review:**

Review with EQCR was scheduled on Date i.e. on Monday in the Delhi Office of ABC.

**C. System of Quality Control and Role of Engagement Teams**

1. Quality control systems, policies and procedures are the responsibility of the audit firm. Under SQC 1, the firm has an obligation to establish and maintain a system of quality control to provide it with reasonable assurance that:

- (a) The firm and its personnel comply with professional standards and regulatory and legal requirements; and
- (b) The reports issued by the firm or engagement partners are appropriate in the circumstances'

2. Within the context of the firm's system of quality control, engagement teams have a responsibility to implement quality control procedures that are applicable to the audit engagement and provide the firm with relevant information to enable the functioning of that part of the firm's system of quality control relating to independence.

Engagement teams are entitled to rely on the firm's system of quality control, unless information provided by the firm or other parties suggests otherwise.

Policies and procedures on documentation of the engagement quality control review should require documentation that:

- (a) The procedures required by the firm's policies on engagement quality control review have been performed;
- (b) The engagement quality control review has been completed before the report is issued; and
- (c) The reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions they reached were not appropriate.

**(b) Leadership Responsibilities for Quality on Audits**

3. The engagement partner shall take responsibility for the overall quality on each audit engagement to which that partner is assigned.

**(c) Relevant Ethical Requirements**

4. Throughout the audit engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of non-compliance with relevant ethical

requirements by members of the engagement team.

5. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.

***Independence***

6. The engagement partner shall form a conclusion on compliance with independence requirements that apply to the audit engagement. In doing so, the engagement partner shall:
  - (a) Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence;
  - (b) Evaluate information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement; and
  - (c) Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the audit engagement, where withdrawal is permitted by law or regulation. The engagement partner shall promptly report to the firm any inability to resolve the matter for appropriate action.

**(d) Acceptance and Continuance of Client Relationships and Audit Engagements**

7. The engagement partner shall be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and audit engagements have been followed, and shall determine that conclusions reached in this regard are appropriate.
8. If the engagement partner obtains information that would have caused the firm to decline the audit engagement had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action.

**(e) Assignment of Engagement Teams**

9. The engagement partner shall be satisfied that the engagement team, and any auditor's experts who are not part of the engagement team, collectively have the appropriate competence and capabilities to:
  - (a) Perform the audit engagement in accordance with professional standards and regulatory and legal requirements; and
  - (b) Enable an auditor's report that is appropriate in the circumstances to be issued.

**(f) Engagement Performance**

**Direction, Supervision and Performance**

10. The engagement partner shall take responsibility for:
  - (a) The direction, supervision and performance of the audit engagement in compliance with professional standards and regulatory and legal requirements; and
  - (b) The auditor's report being appropriate in the circumstances.

<b>Chapter</b>	<b>6.4</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Management Representation Letter</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example – though it is recommended to carefully read and implement all points mentioned in standards on auditing and especially where specific representation is taken from the management. It is worth noting that representation of management is NOT an alternate to the audit procedures)*

**Example 1:**

(Entity Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the financial statements of ABC Company for the year ended March 31, 20XX for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or give a true and fair view) in accordance with the applicable accounting standards in India. We confirm that (,to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves ):

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial statements in accordance with Financial Reporting Standards; in particular the financial statements are fairly presented (or give a true and fair view) in accordance with the applicable accounting standards in India.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. (SA 540)
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable accounting standards in India. (SA 550)
- All events subsequent to the date of the financial statements and for which applicable accounting standards in India require adjustment or disclosure have been adjusted or disclosed. (SA 560)
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. (SA 450)
- [Any other matters that the auditor may consider appropriate (see paragraph A10 of SA 580).]

**Information Provided**

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters,
  - Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. (SA 240).
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements. (SA 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others. (SA 240)
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. (SA 250)
- We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware. (SA 550)
- [Any other matters that the auditor may consider necessary (see paragraph A11 of SA 580)].

**Example 2:**

**LETTER OF REPRESENTATION FROM MANAGEMENT**

**(CLIENT LETTERHEAD)**

Date: \_\_\_\_\_

\_\_\_\_\_  
*(Auditor’s name and address)*

Dear sir,

in connection with your work relating to the package used for \_\_\_\_\_ (*component’s name*) in the Group consolidation of \_\_\_\_\_ (*Group’s name*) as of \_\_\_\_\_, we confirm, to the best of our knowledge and belief, the following representations made to you during the performance of your procedures.

1. We have fulfilled our responsibilities for the preparation and presentation of the Group Reporting Package of \_\_\_\_\_ (*component’s name*) as set out in the terms of the audit engagement dated (insert date) and, in particular, the financial information is presented in accordance with the reporting requirements of the Group.
2. We have made available to you all:
  - a. financial records related data, contracts and agreements which could have a material impact on the financial statements.



## Audit Working Paper Templates

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- b. minutes of the meetings of shareholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have yet been prepared.
  - c. additional information that you have requested from us for the purpose of your work.
  - d. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
3. There has been no:
  - a. fraud involving management or employees who have significant roles in the internal control structure (*except as follows:*)
  - b. fraud involving other employees that could have a material effect on the financial information (*except as follows:*).
4. We have disclosed to you the results of our assessment of the risk that the financial information may be materially misstated as a result of fraud, and also all information in relation to allegations of fraud or suspected fraud affecting the financial information.
5. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities or that may need disclosure in the financial information (except as follows:).
6. The following have been properly recorded or disclosed in the financial information:
  - a. related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
  - b. arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - c. agreements to repurchase assets previously sold.
7. There are no:
  - a. violations or possible violations of laws or regulations or non-compliance with contractual agreements whose effects should be considered for disclosure or as a basis for recording a loss contingency (*except as follows:*).
  - b. other material liabilities or gain or loss contingencies or unasserted claims or assessments that are required to be accrued or disclosed.
  - c. actions or claims that would result in a material gain for ..... (*component's name*) (*except as follows:*).
8. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
9. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged (other than those disclosed in the financial statements).
10. Provision has been made for any material loss to be sustained in the fulfilment of, or, from inability to fulfil, any sales or purchase commitments.
11. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

12. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial information of the component as a whole.
13. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial information (*except the following, which are appropriately reflected or disclosed in the financial information*).

**14. Related Party Transactions**

Related-party transactions include issue of common stock, salary and allowances, reimbursement of expenses and amounts receivable from or payable to related parties.

**List of Related parties:**

We confirm the following as our related parties during the year ended March 31, 20xx.

Name	Relationship

**15. Property, plant & equipment, and Intangibles**

- The additions during the period are stated at cost and include all capital expenditure, but do not include expenditure properly chargeable to revenue. The capitalization during the period is in accordance with Ind AS. No material amounts representing additions or improvements of a capital nature were charged to expense accounts.
- The net book value of property, plant & equipment of INR XXXX as at March 31, 20XX which is arrived at after making above adjustments and providing depreciation of INR XXX for the year ended March 31, 20XX. Depreciation expense is provided in accordance with the depreciation rates as disclosed in the accounting policy.
- The net book value represents all the property, plant & equipment owned by the Company wherever situated. The management has physically verified the situation and condition of the property, plant & equipment as at March 31, 20XX.
- There are commitments for capital expenditure of INR XXXXX as at March 31, 20XX.
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

**16. Cash & Cash Equivalents**

The company has cash and cash equivalents of INR XXXX and balances with bank amounting to INR XXXXX as at March 31, 20XX. The company has received confirmation from banks for the balance in current accounts and the same is reconciling with the balance appearing in books of account. The management has physically verified the cash as at March 31, 20XX.

The Company has cash and cash equivalents of INR XXXX as at March 31, 20XX. This pertains to lien against corporate credit card of the company.

**17. Other Current Assets**

- Account receivables of INR XXXX as at March 31, 20XX represent valid claims for sales up to and including March 31, 20XX.
- Provision has been made for doubtful accounts of INR XXXXX as at March 31, 20XX.
- The loans and advances are bifurcated between long term and short term as per the period of expected realization from the balance sheet date. The company has loans and advances of INR XXXX and provision has been made for doubtful advances of INR XXXX as at March 31, 20XX

18. We certify the value of inventories is INR XXXX as at March 31, 20XX. As a part of year end closing, the management has physically verified the existence of inventory as at year end and any deviations found with the books of account has been appropriately adjusted in the books of account.

**19. Shareholder's deficit**

- The Issued, Subscribed and Paid-up XXXX common stock and additional paid in capital of the company stands at INR XXXX as at March 31, 20XX which is equally held by Mr A (50%) and Mr P (50%).
- Shareholders deficit is INR XXXXX as at March 31, 20XX.

**20. Current Liabilities**

- All known liabilities have been put in the books of account and all disputed and unprovided liabilities have been disclosed as contingent liabilities.
- The Company is generally regular in depositing undisputed statutory dues including sales tax, custom duty, cess and any other statutory dues with appropriate authorities and that there are no statutory dues as at the last day of the period concerned for a period of more than 6 months from the date, they become payable. There are no disputed amounts of sales tax, goods & services tax, income tax, custom duty, and cess.
- The company has account payables amounting to INR XXXXX as at March 31, 20XX. The other current liabilities are INR XXXXX as at March 31, 20XX.
- Accounts payable include INR XXXX payable to TT Pvt Ltd since FY 20XX-XX. The company has not received the corresponding collection of Rs. XXXX from M/s GMD which is outstanding receivable in the books of account and has been fully provided for in the statement of profit and loss of earlier years. There is no litigation proceedings from any party and do not foresee any additional liability to the abovementioned parties.
- The company has accrued expenses amounting to INR XXXX as at March 31, 20XX. The accrued expenses include INR XXXX as at March 31, 20XX as commission payable to one of the agent.

**21. Employee Benefits and Other Expenses**

- The company has paid staff salaries of INR XXXX during the year.
- The Company has no applicability of the Payment of Gratuity Act, Employees Provident Fund.

**22. Contingent Liabilities**

- There are no pending litigation and claims made by or on the company during the period or as at period end.
- The Company has not given any guarantee for loans taken by others from a bank or financial institution.
- There are no disputed amounts of statutory dues which should be disclosed as contingent liabilities.
- There are no Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- There are no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

**23. Statement of Operation**

- All materials transactions have been adequately disclosed and full provision has been made in the financial statements for all claims and losses of material amount which have resulted or may be expected to result from events which occurred or from commitments which were entered into on or before the date of balance sheet, including losses resulting from forward purchase and/or sale contracts.
- No personal expenses have been charged to revenue accounts.
- Except as disclosed in the financial statements, the results for the period were not materially affected by:
  - a. transactions of a nature not usually undertaken by the Company.
  - b. circumstances of an exceptional or non-recurring nature.
  - c. charges or credits relating to prior years; and
  - d. Changes in accounting policies.
- The Company has dealt with items, which are covered by the object clause of the Memorandum of Association and has not commenced any business listed in the other objects of the Memorandum without obtaining the approval of the members by a special resolution.

**24. Use of Estimates**

Preparation of financial statements in conformity with GAAP require us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could materially differ from these estimates. On an ongoing basis we evaluate our estimates including those relating to fair values, intangible assets, useful lives of intangible assets, income tax, contingent liability among others. We base our estimates on assumptions both historical and forward looking that are believed to be reasonable, the results of which form the basis for making judgements about the carrying values of assets and liabilities.

**25. General**

- The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no

non-compliance with the requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- There are no long-term contracts & derivative contracts of the company.
  - The Company's management is of the opinion that its international transactions with related parties are at arm's length and that the Company is in compliance with the transfer pricing legislation. Based on the above, the Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.
26. We confirm that the other disclosures pursuant to the provisions of accounting standards are complete and accurate.

[signed]

(Name and Title)

<b>Chapter</b>	<b>6.5</b>		Name	Initial
<b>Topic</b>	<b>SUM/SAD</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose:**

SUM/SAD stands for “summary of uncorrected misstatements”/“summary/schedule of unadjusted differences”. The SUM/SAD is a workpaper or excel file that is reviewed at the conclusion of an audit.

Throughout the audit, management or the audit team might find a misstatement, but unless it is a material misstatement, the company may choose not to adjust the financial statements.

The audit team should track all of the “uncorrected misstatements” so that the company and the audit team can make sure that the misstatements do not result in a material misstatement when aggregated.

The auditor should request management to correct all factual misstatements. If management corrects one or more of the identified misstatements in the financial statements, the auditor should use the SUM (before discussion with management) to create a new SUM (after discussion with management) for any remaining uncorrected misstatements. The auditor should attach the SUM without the auditor's calculations, evaluation, and conclusion (or a listing of uncorrected misstatements if the number and amount of the misstatements are insignificant) to the management representation letter.

**Audit Working Paper Templates**

<b>Chapter</b>	<b>6.6</b>		Name	Initial
<b>Topic</b>	<b>Actual Manhours</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

S. No.	Audit Activities	Partner	AD	Manager	AM/DM	Senior	Trainee	Engagement Quality Control Reviewer	ITGC Expert	Senior Partner	Total Man Hours
	<b>Pre-engagement activities</b>										
1.	Engagement acceptance/reacceptance										
2.	Independence Confirmation - Signing Partner										
3.	Independence Confirmation - Team members										
4.	Pre-Planning discussion										
5.	Materiality										
6.	Materiality in Planning and Performing an Audit										
7.	Engagement quality control assessment										
8.	Engagement team assessment sheet - Team Mobilisation										
	<b>Planning</b>										
9.	Kick Off Meeting										
10.	Legal, operational and organisational structure										
11.	Review of Minutes of appropriate authority										
12.	Past three years Income tax Computation signed and Acknowledgements										







38.	1. Obtain Form 26AS and reconcile the same with books 2. Refund to be mapped from refund order and reconciled with books									
	<b>Other non-current assets</b>									
	<b>Prepaid expenses</b>									
39.	1. Verify and obtain Prepaid Expenses Schedule along with relevant supporting documents.									
	<b>Capital advances</b>									
40.	1. Obtain the list of Capital Advances given during the year. 2. Obtain and verify the agreements to check the payments made according to the agreements.									
	<b>Current assets:</b>									
	<b>Inventories</b>									
41.	1. Check Valuation as per Weighted Average along with impact of Overhead Allocation. 2. Cost Vs NRV Testing 3. Physical verification and verify if Impact of differences after physical verification taken, 4. Confirmation from inventory held at 3rd party 5. Obtain Inventory Ageing 6. Obtain Schedule of stores, spares and consumables.									
	<b>Financial assets</b>									
	<b>i. Trade receivables</b>									

**Audit Working Paper Templates**

42.	1. Obtain Ageing 2. Float Balance Confirmation 3. Obtain reconciliation in case of differences 4. Obtain subsequent bank statements and check subsequent clearances										
	<b>ii. Cash and cash equivalents</b>										
	Balance with banks										
43.	1. Direct Bank Confirmation to be received 2. Verify BRS 3. Obtain Bank Statements										
	Cash on hand										
44.	Obtain cash balance confirmation										
45.	Physical Verification of cash										
	<b>iii. Loans - Security Deposit (Current)</b>										
46.	Obtain Schedule and relevant supporting documents										
	<b>Other current assets</b>										
	<b>Prepaid expenses</b>										
47.	1. Verify and obtain Prepaid Expenses Schedule along with supporting documents. 2. Obtain AMC agreements and insurance policies										
	<b>Balance with government authorities</b>										

48.	<p>GST Input -</p> <p>1. Reconcile GST</p> <p>2. Pass knock Off Entry in respect to input to settle off output liability.</p> <p>Advance Custom Duty - Obtain challan for the advance custom duty paid and map the same with the purchase register.</p> <p>EDD Recoverable - Verify the same from the amount reflecting on the customs portal and map the same with the purchases.</p> <p>VAT Receivable- Check status of VAT receivable as on balance sheet date.</p>										
	<b>Imprest advances</b>										
49.	Obtain list of employees to whom Imprest advances have been given and perform ledger scrutiny to identify any discrepancies.										
	<b>Tax receivable from exports</b>										
50.	Obtain details in respect of the same along with the relevant supporting thereof.										
	<b>Equity</b>										
	Equity share capital										
	Other Equity										
51.	<p>1. Check authorised and issued capital from MCA data.</p> <p>2. Obtain list of Shareholders</p> <p>3. Obtain confirmation</p> <p>4. Trace the movement in Equity during the year.</p> <p>5. Obtain documents in respect of ECB conversion into Equity.</p>										

**Audit Working Paper Templates**

	6. Obtain documents in respect of capital introduced during the year.										
	<b>Non-current liabilities</b>										
	<b>i. Borrowings</b>										
52.	<p>1. Obtain details of outstanding borrowings as at year end.</p> <p>2. Obtain loan agreements in respect of the outstanding borrowings.</p> <p>3. Obtain confirmation in respect of the amount outstanding as at March 31, 2xx3.</p> <p>4. Obtain loan repayment schedule and map the same with the bank statement.</p> <p>5. Obtain schedule for interest accrued on borrowings.</p>										
	<b>ii. Other financial liabilities - Non Current</b>										
	<b>Lease Liability</b>										
53.	<p>1. Obtain and recomputed working of lease liability as per Ind As 116</p> <p>2. Obtain lease agreements and verify lease terms</p> <p>3. Verify assumptions used in working</p> <p>4. Verify lease terms of other Lease agreements on sample basis which are not covered in lease liability</p>										
	<b>Interest accrued but not due on borrowings</b>										
54.	Obtain the interest accrued working and map the same with the borrowing										

	agreements.										
	<b>Security deposits</b>										
55.	Verify agreements on sample basis on the basis of schedule provided and verify bifurcation between Current & Non-Current Security Deposit.										
	<b>Provisions - Non Current</b>										
	<b>Provision for gratuity</b>										
56.	Obtain the actuary valuation report and check the assumptions and data sent to actuary.										
	<b>Provision for Compensated absences</b>										
57.	Obtain the actuary valuation report and check the assumptions and data sent to actuary.										
	<b>Provision for decommissioning</b>										
58.	Obtain working for decommissioning provision.										
	<b>Other liabilities</b>										
	<b>Deferred grant</b>										
59.	1. Obtain Schedule for Grant 2. Obtain relevant supporting documents like EPCG licenses etc.										
	<b>Current liabilities</b>										
	<b>Financial liabilities</b>										
	<b>i. Borrowings - Loans from Banks</b>										
60.	1. Obtain details of outstanding borrowings as at year end. 2. Obtain loan agreements in respect of the outstanding borrowings.										

**Audit Working Paper Templates**

	<p>3. Obtain confirmation in respect of the amount outstanding as on reporting date</p> <p>4. Obtain loan repayment schedule and map the same with the bank statement.</p> <p>5. Obtain schedule for interest accrued on borrowings.</p>									
	<b>ii. Trade payables</b>									
61.	<p>1. Obtain List of creditors.</p> <p>2. Verify and check Creditor Ageing.</p> <p>3. Obtain vendor wise list of open invoices.</p> <p>4. Obtain confirmations from vendors.</p> <p>5. MSME parties and corresponding interest to be verified</p>									
	<b>iii. Other financial liabilities</b>									
	<b>Interest accrued but not due on borrowings</b>									
62.	Obtain the interest accrued working and map the same with the borrowing agreements.									
	<b>Employee benefits payable</b>									
63.	<p>1. Obtain the schedule for Salary Payable.</p> <p>2. Verify the pending full and final settlement, if any.</p> <p>3. Check subsequent payment from the Bank statement for the month of April 2xx3 for Staff Reimbursement Payable.</p>									

	<b>Capital creditors</b>										
64.	1. Obtain balance confirmation. 2. Obtain PO in respect of these creditors to verify capital expense of the creditors.										
	<b>Derivative Liability (MTM Loss)</b>										
65.	1. Obtain the details of the underlying contracts sold during the year. 2. Obtain copies of the underlying contracts. 3. Trace the receipts from the Bank Statements.										
	<b>Lease liability</b>										
66.	1. Obtain and recompute working of lease liability as per Ind As 116 2. Obtain lease agreements and verified lease terms 3. Verify assumptions used in working 4. Verify lease terms of other Lease agreements on sample basis which are not covered in lease liability										
	<b>Provisions</b>										
	<b>Provision for gratuity</b>										
67.	Obtain actuary valuation report and check the assumptions and data sent to actuary.										
	<b>Provision for Compensated absences</b>										
68.	Obtain actuary valuation report and check the assumptions and data sent to actuary.										
	<b>Provision for expenses</b>										
69.	Obtain the details of the expenses against which										



**Audit Working Paper Templates**

	provision is being created.										
	<b>Other liabilities</b>										
	<b>Statutory Dues payable</b>										
70.	1. Check and verify TDS and GST Returns 2. Map sale with the GST outward liability 3. Check labour laws with challans and books.										
	<b>Advance from customers</b>										
71.	Obtain list of customers from whom advances have been received.										
	<b>Accrued expenses</b>										
72.	Obtain the working for the computation of distributor promotion schemes and verify the claims made by the distributors.										
	<b>Revenue from operations:</b>										
	<b>Sale of products (including excise duty)</b>										
73.	1. Control testing and walkthrough 2. Substantive testing 3. Sales Analytical 4. Cut off testing 5. GST Output liability Reconciliation with the Sales register.										
	<b>Interest income from financial assets at amortised cost</b>										
74.	Verify the Ind AS 109 working										
	<b>Gain on foreign exchange fluctuation (Net)</b>										
75.	Obtain working for forex fluctuation.										
	<b>Government grant</b>										





93.	Check and verify from the rent agreement and carry out analytical audit procedures										
	<b>Rates and Taxes</b>										
94.	1. Substantive Testing audit procedures										
	<b>Printing and Stationery</b>										
95.	1. Substantive Testing audit procedures										
	<b>Communication</b>										
96.	1. Substantive Testing audit procedures										
	<b>Travelling and Conveyance</b>										
97.	1. Substantive Testing audit procedures										
	<b>Legal and Professional</b>										
98.	1. Carry out Substantive Testing audit procedures 2. Analytical audit procedures										
	<b>Auditor's Remuneration (excluding taxes)</b>										
99.	Verify from proposal/engagement letter										
	<b>Insurance</b>										
100.	Check and verify from insurance policies.										
	<b>Recruitment charges</b>										
101.	1. Substantive Testing audit procedures										
	<b>Advertisement</b>										
102.	1. Substantive Testing audit procedures										
	<b>Commission and Brokerage</b>										
103.	1. Substantive Testing audit procedures										
	<b>Vehicle running and maintenance</b>										

**Audit Working Paper Templates**

104.	1. Substantive Testing audit procedures										
	<b>Business promotion expenses</b>										
105.	1. Substantive Testing audit procedures										
	<b>Selling and Distribution Expenses</b>										
106.	1. Carry out Substantive Testing audit procedures 2. Analytical audit procedures										
	<b>Freight</b>										
107.	1. Substantive Testing audit procedures										
	<b>Provision for Doubtful Debts</b>										
108.	ECL Working assumptions to be verified										
	<b>Custom Duty (EPCG)</b>										
109.	1. Obtain working in respect of the lapsed licenses. 2. Obtain the closure letters along with the payment details from the customs department.										
	<b>Loss on sale of PPE</b>										
110.	Obtain details of the assets sold and other related documents										
	<b>Loss on Derivative</b>										
111.	Obtain MTM working and mail communications from the bank.										
	<b>Miscellaneous Expenses</b>										
112.	1. Substantive Testing audit procedures										
	<b>Exceptional Loss / (Gain)</b>										
113.	1. Carry out Substantive Testing audit procedures 2. Analytical audit										



**Audit Working Paper Templates**

	Management										
133.	Written representation - Programme										
134.	Subsequent events - Programme										
135.	CARO checklist										
136.	AS/ Ind AS Checklist										
137.	Standards on Auditing Checklist										
138.	Companies Act 2013 - Other matters checklist										
139.	Audit Opinion - Programme										
140.	Audit Opinion - Extended checklist										
141.	Key Audit Matters										
142.	Draft Auditor's Report										
143.	Engagement Partner and Manager Sign off										
144.	Quality Review Partner Signoff										
145.	Accounting Estimates – Evidence										
146.	Investigation of evidence indicating a fraud										
	<b>Final Archival</b>										
	<b>Total Man Hours</b>										

<b>Chapter</b>	6.7		Name	Initial
<b>Topic</b>	Final Analytical	Prepared	C	
<b>The client</b>	XYZ Company Private Limited	Reviewed	T	
<b>Task</b>	Statutory Audit	Approved	A	
<b>Period</b>	for the year ended March 31, 2xx3			

*(Following draft may be used as an example)*

Note:- Only ratios are given – final analytical procedure includes performing an evaluation of all captions and determining whether there are any unusual / unexpected patterns having regard to the audit procedures performed.

Also – in this workpaper there should be a placeholder where the team can document unusual / unexpected variances/ movements and documents details thereof.

Ratio	Numerator	Denominator	As at March 31, 2xx3	As at March 31, 2xx2 (PY)	% change	Reason for variance <i>(where the change in the ratio is more than 25% as compared to the preceding year)</i>
Current Ratio	Current Assets	Current Liabilities				-
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder’s Equity				
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable				
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities				
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return				



**Audit Working Paper Templates**

Return Capital Employed	on Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability				
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Chapter	6.8		Name	Initial
Topic	<b>Communication with audit committee/Those charged with Governance</b>	Prepared	C	
The client	<b>XYZ Company Private Limited</b>	Reviewed	T	
Task	<b>Statutory Audit</b>	Approved	A	
Period	<b>for the year ended March 31, 2xx3</b>			

Following is example of a letter to the audit committee.

**Date:**

**To**  
**The Chairman**  
**Audit Committee**  
**XYZ Company Private Limited**  
**Xxxxxx India**

Dear Sir,

**Sub: Auditor’s communication to those charged with governance as required by Standard on Auditing (SA) 260**

We have been appointed as the Statutory Auditors of XYZ Private Limited (**the company**) to audit the Standalone and Consolidated Financial Statements of the company for the Financial Year ended on 31 March, 2xx3. The financial statements will comprise the Balance Sheet as at 31 March 2xx3, and the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Our audit will be conducted with the objective of expressing an opinion if the aforesaid financial statements are prepared as per requirements of the Companies Act, 2013 and give the information required by applicable financial reporting standards, as well as other recognized accounting practices and policies in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2xx3, its profit/loss and its cash flow for the year ended on that date. The audit work also includes issuance of the report on adequacy and operating effectiveness of internal financial controls with reference to financial statements and as part of the audit, verification and/or certification of certain specific aspects, as listed in the appointment letter.

**Planned Scope of Audit**

We will conduct our audit in accordance with the Standards on Auditing (SAs), specified under Section 143(10) of the Companies Act 2013 and also in accordance with any other applicable pronouncements of the ICAI, issued from time to time. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the

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assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, including the possibility of collusion or improper management override of controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed in accordance with the SAs.

Our audit will be conducted on the basis that the Management and those charged with governance (Audit Committee / Board) acknowledge and understand that they have the responsibility:

- (a) For the preparation of financial statements that give a true and fair view in accordance with the applicable Financial Reporting Standards and other generally accepted accounting principles in India. This includes:
  - Proper maintenance of accounts and other matters connected therewith;
  - The responsibility for the preparation of the financial statements on a going concern basis;
  - The preparation of the annual accounts in accordance with the applicable Financial Reporting Standards and providing proper explanation relating to any material departures from those Standards;
  - Selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss and cash flows for that period;
  - Taking proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and for preventing and detecting fraud and other irregularities;
  - Laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
  - Devising proper systems to ensure compliance with the provisions of all applicable laws and regulations including for those aspects which have been specifically listed for verification/certification by us in your aforementioned letter and that such systems were adequate and operating effectively.
  - Identifying and informing us of all the pending litigations and confirming that the impact of the pending litigations on the financial position has been disclosed in its financial statements.
- (b) Identifying and informing us of financial transactions or matters that may have any adverse effect on the functioning of the company.
- (c) Informing us of facts that may affect the financial statements, of which Management may become aware during the period from the date of our report to the date the financial statements are issued.
- (d) To provide us, inter alia, with:

- (i) Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the company, whether kept at the Head Office, branches, or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
- (ii) Access to reports, if any, relating to reporting on frauds and additional information that we may request from the Management for the purposes of our audit;
- (iii) Unrestricted access to persons whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the company such information and explanations as we may think necessary for the performance of our duties as the auditors; and
- (iv) All the required support to discharge our duties as the statutory auditors as stipulated under the standards on auditing.

As part of our audit process, we will request from the Management, Written Representation Letter as required under Standard on Auditing (SA) 580, “Written Representations” that they believe that they have fulfilled their responsibility for the preparation of the financial statements and for the completeness of the information provided to the auditor.

We will also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also communicate with those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Planned Nature, Timing and extent of the Audit**

The scope of our audit is consistent with the scope communicated in our engagement letter dated xxxxxxx 2xx3. The Work allocation and audit timeline is in line with the timeframe as suggested by management of the company.

#### **Communication of Calculation of Audit Materiality and Basis of Sampling**

The concept of materiality in planning and performing the audit of financial statements is followed in accordance with SA 320 “Materiality in Planning and performing an audit”.

Materiality level is calculated based on financials of the company as well as our audit experience of the industry in which the company operates. This is used to assess whether accumulated misstatements are material.

The materiality for audit has been set out at XX% of the Profit before tax of the company.

#### **Significant issues identified so far, which arose in the previous Audit, Limited Reviews and audit discussions**

We as part of our procedures share our audit observations with the management on completion of limited reviews and audit. As per requirement of SA 701 “Communicating Key Audit Matters in the Independent Auditor’s Report”, from the matters communicated with those charged with governance, we will determine those matters that were of most significance in the audit of the financial statements of the current period and will therefore be decided to be the Key Audit Matters (KAM). The standard further requires that the KAM are to be reported in the auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

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that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The KAM so identified shall be reported in the following tentative format:-

<b>S No</b>	<b>Key Audit Matter with description and reasoning for selection as Key Audit Matter</b>	<b>Audit Procedures Undertaken to address the Key Audit Matter</b>
1		
2		

**Other Significant Matters or Issues**

In the normal course of our professional association with the company, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement of financial statements.

This communication is intended solely for the information and use of the management of the company and is not intended to be and should not be used by anyone other than these specified parties.

Your Sincerely,

<b>Chapter</b>	<b>6.9</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>CARO Checklist</b>	<b>Prepared</b>		<b>C</b>
<b>The client</b>	<b>XYZ Company Private Limited</b>	<b>Reviewed</b>		<b>T</b>
<b>Task</b>	<b>Statutory Audit</b>	<b>Approved</b>		<b>A</b>
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

Refer Chapter 5.4

<b>Chapter</b>	<b>6.10</b>		<b>Name</b>	<b>Initial</b>
<b>Topic</b>	<b>Partner Review Documents</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

The engagement partner shall take responsibility for reviews being performed in accordance with the firm's review policies and procedures.

On or before the date of the auditor's report, the engagement partner shall, through a review of the audit documentation and discussion with the engagement team, be satisfied that sufficient appropriate audit evidence has been obtained to support the conclusions reached and for the auditor's report to be issued.

Following are the review points:

- (a) Members of the engagement team have undertaken appropriate consultation during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm.
- (b) The nature and scope of, and conclusions resulting from, such consultations are agreed with the party consulted; and conclusions resulting from such consultations have been implemented.
- (c) The points discussed with EQCR have to be clearly documented and conclusion should be mentioned.
- (d) Spelling mistakes to be corrected as mentioned on the draft.
- (e) Significant matters note to be closed after discussion.
- (f) The engagement partner complies with the overriding requirement in paragraph 8 of SA 230 to prepare audit documentation that can be understood by an experienced auditor, as the audit documentation may be subject to review by external parties for regulatory or other purposes.

<b>Chapter</b>	<b>6.11</b>		Name	Initial
<b>Topic</b>	<b>Closure</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

**Purpose**

The purpose of this working paper is to:

- Document the results of audit procedures performed during completion of the assignment.
- Evaluate on an overall basis the results of our audit procedures and findings for audit objectives associated with significant risks, including fraud risks.
- Evaluate significant findings and issues resulting from the audit, actions taken to address them (including additional evidence obtained) and the basis for the conclusions reached, and
- Evaluate the independence during the assignment and ethical issues.

Prepared by: Audit Team	Date
Reviewed by: Engagement Manager:	Date
Reviewed by: Engagement Partner:	Date

**I. Results of completion procedures**

**Overall review of financial statements**

We have audited the financial statements of the company and documented the results of our overall review of the financial statements.

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**II. Final evaluation of audit results for specific topics**

**A. Fraud**

We planned our audit in such a manner to assess the fraud risks relating to fraudulent financial reporting to specifically address the fraud risks arising from management overriding the internal controls.

We have summarized our approach in identification of risk as below mentioned:

1. Identified risk that may result in a material misstatement due to fraud and performed specific procedures for the same.
2. Assessed the identified risks after taking into account an evaluation of the entity's programs and controls.



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3. Made inquiries of management and others within the entity to obtain their views about the risks of fraud and how they are addressed.
4. The unusual relationships that were identified in performing analytical procedures in planning stage were also taken care of in identification of fraud elements that may be present.

### Evaluation of business rationale related to significant unusual transactions

On the basis of audit procedures performed and knowledge gained of the company's business, we have identified the significant unusual transactions of the company. The nature, timing, or extent of audit procedures were designed in a manner to ensure that all significant unusual transactions are allocated to appropriate level of supervision.

While assessing the same, we have considered fraud risk factors in identifying and assessing risks of material misstatement due to fraud that may be present due to significant unusual transactions. Refer Chapter 6.2

### B. Going concern

Our audit procedures for the consideration of going concern were designed keeping in mind the below points : Refer SA 570(Revised)

1. We considered the results of our procedures performed in planning, gathering evidential matter relative to the audit objectives, and completing the audit.
2. Our main objective was to identify conditions and events that, when considered in the aggregate, indicate there could be substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

No such instance came to our notice which raises a question on the going concern of the company.

### C. Laws and regulations

The following audit procedures were performed in this aspect :

1. A kick off meeting was held with the management in order to obtain an understanding about the various laws and regulations applicable to the company.
2. Obtained confirmation about the legal cases against the company or any charge of non-compliance.

No material case of any charge of non-compliance or penalty came to our notice.

### D. Related parties

We performed our audit procedures to obtain an understanding of the company's relationships and transactions with its related parties which increases the risk of a material misstatement in the financial statements.

The following audit procedures were performed in this aspect :

1. The management had disclosed the related parties of the company and transactions with the related parties during the year. Other than that, we verified if there are other probable related parties and relationships and transactions with such related parties.
2. Discussed with the management to understand who holds authorization for approving transactions with related parties.
3. Accounting for and disclosing relationships and transactions with related parties in the financial statements.

*Identifying and Assessing Risks of Material Misstatement.* The following procedures were performed to obtain an understanding of the company's relationships and transactions with its related parties:

1. Obtained an understanding of the company's process and policies. Any criteria for entering into transaction with related parties and verify if the transaction was entered into in accordance with the criteria.
2. Performing inquiries.
3. Based on above procedures, all the related parties & transactions with them have been correctly recorded.

**III. Subsequent event(s)**

The procedures were planned and performed in respect of following:

1. Traced if there exist any transaction that may have adjusting or non-adjusting effect on the financial statements.
2. Cut Offs: An examination of data was performed in order to ensure that proper cut offs have been considered for the balance sheet date and it clearly distinct the data of current year and subsequent year. Refer SA 560
3. Contingent liabilities or Future commitments
4. Going Concern: Inquired with the management whether there have been any major events such as affecting going concern.

Based on above procedures, it is concluded that all relevant disclosures have been made in this respect in the financials.

**IV. Reassessment of Materiality**

In this section, we have documented the impact on materiality due to significant audit findings.

<b>Particulars</b>	<b>Amount (in INR)</b>
Materiality for planning purposes has been documented in the Planning section	

The planning materiality ascertained at the planning stage **has not been revised** during the course of our audit.

- V. Evaluate significant findings and issues resulting from the audit, actions taken to address them (including additional evidence obtained) and the basis for the conclusions reached.

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<b>Chapter</b>	<b>6.12</b>		Name	Initial
<b>Topic</b>	<b>Procedures for Client's Documents</b>	Prepared	C	
<b>The client</b>	<b>XYZ Company Private Limited</b>	Reviewed	T	
<b>Task</b>	<b>Statutory Audit</b>	Approved	A	
<b>Period</b>	<b>for the year ended March 31, 2xx3</b>			

*(Following draft may be used as an example)*

### **Background**

The purpose of this working paper is to document our approach towards the documents or data provided by the client for the purpose of audit.

### **Objective**

The schedules and working or documents provided by the client support the conclusions in our reports and form part of audit documentation. They are also referred to as evidence or sometimes audit working papers. Examples of such documentation include ledger extracts or other reports extracted from accounting software, internal or external supporting documents, etc.

Audit documentation may be in the form of paper, electronic files, or other media.

### **Our approach**

Every working paper provided by the client goes through basic 3 level checks before any work is started on the same.

- *Domain* – The domain from which the email is received and the portal i.e., through which data has been provided from the client belongs to the client.
- *Sender* – Whether the person sending the data from the client side is authorized to do so in their capacity. This can be traced by the understanding of the hierarchy from the client.
- *Arithmetical accuracy* –After receipt of data from the client, we check the arithmetical accuracy of the sheet provided to us by recalculation of the formulas in the sheet and derive if the result obtained is matching the data provided by the client.
- *Cross Tally* – The data provided is cross verified with the trail balance or financials if the data provided is of such nature which can be directly matched with the books.
- *Sanity* – The sanity of data provided by the client is not disturbed. After receipt of data the client data is saved “*as it is*” and another copy of the workbook is prepared and whatsoever working required is performed on the copy version prepared.
- *Attestation* –If the data is provided in paper format, then we assure the same must be attested by the competent person to provide the data.
- *Other Documents* – For other documentation such as bank statements, loan agreements, Articles of Association or Memorandum of Association etc., we ensure that the same are attested by the competent authority or is provided in the proper format as it should be. It is being ensured that external confirmation to be obtained rather than relying on the client.