

Checklist on Company Accounts Received in an office of IA & AD for Audit

1. We have to ensure that the accounts with audit certificate are duly signed by a Chartered Accountant who is a sole practitioner/ partner/ member of the firm/ LLP with his membership number.
2. If there are joint auditors, we have to ensure that CAs from both concerns/ firms/LLPs have signed the above certificate and accounts with membership number.
3. We have to ensure that the supplementary report on directions issued by CAG is kept as an integral part of the audit report.
4. We have to ensure that all the following personnel of the Company management have signed the accounts.
 - Chairperson (where authorised by the Board) or MD and one more director
AND
 - CEO (if he is a director)
 - CFO
 - Company Secretary(For One Person Company- one director has to sign)
5. We have to ensure that the date of signature on the accounts by Company management and auditor, date of Audit Committee (AC) and Board meeting approving the accounts and adopting the audited accounts and certificate by auditor are all the same. If not, to ensure that Board approval of accounts is not after auditor's date of signing audit certificate/ accounts. Also, auditor's date of signing should not be after adoption of audited accounts by Board.
6. We have to ensure that the agenda and the minutes/ copy of resolution of AC and Board on approval and adoption of accounts are available.
7. We have to ensure that the CARO report is attached to audit report and CARO 2015 format (from accounts of 2014-15) is followed- except for banking, insurance, Section 8 (not for profit), OPC, small company, Private limited company with Paid up capital + reserves \leq Rs.50 lakh/ Loan outstanding from bank /FI \leq Rs.25 lakh/ Turnover \leq Rs.5 crore at any time during financial year.

8. We have to ensure that the Auditor(s)' report contains views and comments on the following points as per Section 143 (3) and Rule 11 of Companies (Audit and Auditors Rules) 2014:

- (i) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
- (ii) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
- (iii) whether the report on the accounts of any branch office of the company audited by a person other than the company's auditor (*i.e. :- branch audit report*) has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
- (iv) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
- (v) whether, in his opinion, the financial statements comply with the accounting standards;
- (vi) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
(*This was added by Companies Act, 2013*)
- (vii) whether any director is disqualified from being appointed as a director;
- (viii) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- (ix) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls (from 2015-16);

- (x) (a) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
- (b) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
- (c) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company;

9. We have to ensure that the format of accounts is as per Schedule III of the Companies Act, 2013; except for banking/ insurance/ electricity/ other companies regulated by other laws, in which case format given by regulator/ Act concerned to apply.
10. We have to ensure that audited AOC-1 is attached to financial statements in case of companies with subsidiaries, associates and JVs.
11. We have to ensure that audited AOC-3 is attached to financial statements in case of listed companies.
12. We have to ensure that audited cash flow statement is also included in financial statements (except for 'small' company-*not yet defined*, OPC and dormant company)
13. We have to ensure that audited statement of changes in equity is included in financial statements in companies (once IndAS applies)
14. We have to ensure that audited consolidated financial statements is included in financial statements in case of companies with subsidiaries, associates and JVs, except in case of unlisted companies, or where disclosure is given that it is not being prepared.
15. We have to ensure that at least formats as per Schedule III are included even where consolidation is not done in case of companies with subsidiaries, associates and JVs and list of subsidiaries, associates and JVs and reasons for non-consolidation are given.