Accounting Audit Checklist

A complete, practitioner-ready checklist covering audit prep, general ledger review, balance sheet accounts, transaction testing, compliance, and final sign-off.

1. AUDIT PREPARATION

- [ ] Define the audit scope, period, and objectives.
- [ ] Prepare the audit timeline and key deadlines.
- [ ] Assign responsibilities to accounting and finance team members.
- [ ] Gather prior-year audit reports and management letters.
- [ ] Review unresolved findings from previous audits.
- [ ] Prepare the chart of accounts and trial balance.
- [ ] Organize supporting documentation and audit evidence.

2. GENERAL LEDGER & JOURNAL ENTRIES

- [ ] Review the general ledger for unusual or unexpected transactions.
- [ ] Verify journal entries have appropriate supporting documentation.
- [ ] Review manual and adjusting journal entries.
- [ ] Check journal entries for proper authorization.
- [ ] Investigate unusual account balances or fluctuations.
- [ ] Confirm the general ledger agrees with the trial balance.
- [ ] Verify account classifications are accurate.

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3. BANK & CASH RECONCILIATION

- [ ] Reconcile all bank accounts.
- [ ] Review outstanding checks and deposits.
- [ ] Investigate unreconciled differences.
- [ ] Verify bank balances against bank statements.
- [ ] Review petty cash balances and supporting records.
- [ ] Confirm cash transactions are recorded in the correct accounting period.

4. ACCOUNTS RECEIVABLE

- [ ] Reconcile the AR subledger with the general ledger.
- [ ] Review outstanding customer balances.
- [ ] Verify customer invoices and credit notes.
- [ ] Test selected invoices against supporting documentation.
- [ ] Review the aging report for overdue balances.
- [ ] Assess the adequacy of the allowance for doubtful accounts.
- [ ] Verify subsequent customer payments where applicable.

5. ACCOUNTS PAYABLE

- [ ] Reconcile the AP subledger with the general ledger.
- [ ] Review outstanding vendor balances.
- [ ] Verify vendor invoices and supporting documentation.
- [ ] Check invoice approvals and payment authorization.
- [ ] Review duplicate or unusual payments.
- [ ] Perform a search for unrecorded liabilities.
- [ ] Verify AP transactions are recorded in the correct accounting period.

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6. PAYROLL & EMPLOYEE EXPENSES

- [ ] Reconcile payroll records with the general ledger.
- [ ] Verify employee compensation and deductions.
- [ ] Review payroll tax liabilities.
- [ ] Test selected payroll transactions against supporting records.
- [ ] Review employee expense reports and approvals.
- [ ] Check for unusual employee payments or reimbursements.

7. FIXED ASSETS

- [ ] Reconcile the fixed asset register with the general ledger.
- [ ] Verify additions against invoices and supporting documents.
- [ ] Review asset disposals and write-offs.
- [ ] Verify depreciation calculations.
- [ ] Review useful lives and depreciation methods.
- [ ] Check for impairment indicators.
- [ ] Perform a physical verification of material assets where required.

8. REVENUE & EXPENSES

- [ ] Verify revenue transactions against contracts, invoices, or other evidence.
- [ ] Review revenue recognition policies and calculations.
- [ ] Test transactions around the period-end cutoff.
- [ ] Analyze significant changes in revenue and expenses.
- [ ] Investigate unusual or unexpected expense fluctuations.
- [ ] Verify expenses have appropriate supporting documentation.

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9. ACCRUALS, PREPAYMENTS & PROVISIONS

- [ ] Review outstanding accruals.
- [ ] Verify accrual calculations and supporting documentation.
- [ ] Review prepaid expense balances.
- [ ] Confirm proper amortization of prepayments.
- [ ] Review provisions and related assumptions.
- [ ] Reverse or adjust outdated accruals where appropriate.

10. TAX & COMPLIANCE

- [ ] Reconcile tax accounts with supporting records.
- [ ] Review tax filings and payment records.
- [ ] Verify applicable tax liabilities.
- [ ] Review deferred tax balances where applicable.
- [ ] Check compliance with relevant accounting and tax requirements.
- [ ] Resolve outstanding tax notices or disputes.

11. FINANCIAL STATEMENTS

- [ ] Reconcile financial statements with the final trial balance.
- [ ] Review the balance sheet for unusual balances.
- [ ] Review the income statement for significant variances.
- [ ] Verify cash flow statement calculations.
- [ ] Check financial statement classifications.
- [ ] Review required disclosures and notes.
- [ ] Verify consistency with applicable accounting standards.

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12. INTERNAL CONTROLS

- [ ] Review segregation of duties.
- [ ] Verify approval workflows and authorization limits.
- [ ] Review user access to accounting systems.
- [ ] Test key financial controls.
- [ ] Review changes to accounting master data.
- [ ] Document control deficiencies and remediation plans.
- [ ] Review evidence of control performance.

13. PERIOD-END CUTOFF

- [ ] Verify revenue transactions around the reporting date.
- [ ] Verify purchases and expenses around the reporting date.
- [ ] Review invoices received after period-end for unrecorded liabilities.
- [ ] Check goods received and services performed before period-end.
- [ ] Verify transactions are recorded in the correct accounting period.

14. AUDIT EVIDENCE & FINAL REVIEW

- [ ] Ensure every material account has adequate supporting evidence.
- [ ] Organize requested documents in the audit repository.
- [ ] Respond to auditor requests and follow-ups.
- [ ] Investigate audit adjustments.
- [ ] Review proposed audit adjustments with the accounting team.
- [ ] Track outstanding audit issues.
- [ ] Obtain management approval for final adjustments.
- [ ] Review the final financial statements before sign-off.
- [ ] Document lessons learned and improvements for the next audit.

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