

Guidance Note on Audit of Expenses

This Guidance Note deals with the illustrative audit procedures that might be adopted by the auditors in auditing various items of expenses. The introductory part of the Guidance Note deals with the explanation of the term “expense” and the different approaches to identify the expense. It also deals with the peculiar features of “expenses” which impact the audit procedures as also the assertions to be examined in respect thereof.

The following is a gist of the relevant aspects of audit of expenses covered by the Guidance Note:

- Internal Control Evaluation
- Verification – Examining Records and Analytical Procedures
- Examination of Presentation and Disclosure
- Management Representation
- Documentation
- Special Considerations in the Case of a Company

The Guidance Note also contains illustrative audit procedures for the following items of expenses, viz., goods and raw materials consumed, purchases and purchase returns, wages and salaries, bonus, retirement benefits, other conversion costs, establishment and general administrative expenses, interest and financial charges, depreciation, research and development expenses, repairs and maintenance, contingencies, and taxes on income.

Issued in November, 2001

Published in the Handbook of Auditing Pronouncements, Vol. II (Edn. 2008).

Also available as a separate publication of the Institute (price: Rs. 30/-).

ISBN: 81-87072-71-7.

Ordering Information

The publication can be obtained from the sales counter at the Regional offices or at the Head office of the Institute. Copies can also be obtained by post. To order by post, send a demand draft for the amount of price of the publication (add the charges for the desired mode of delivery) in

favour of "The Secretary, The Institute of Chartered Accountants of India, New Delhi", payable at New Delhi, to the Postal Sales Department, the Institute of Chartered Accountants of India, ICAI Bhawan A 94/4, Sector-58, Noida-201301 (U.P.)