PBC list template

United States edition

Grouped by audit area, in the order most teams test them. Cut the groups that do not apply, add the period-end date to every line, and agree the due dates with the client's controller before you send it. Every schedule should agree to the trial balance.

GENERAL AND GOVERNANCE

- [ ] Year-end trial balance and general ledger detail, after all closing entries
  Every other schedule on this list should agree to it. Ask for it first and in a format you can import.
- [ ] Prior-year audit adjustments, and confirmation they are posted
- [ ] Organization chart and a list of key staff with their responsibilities
- [ ] Minutes of board, owners' and committee meetings for the year and since year-end
  The team reads minutes held after year-end as part of its subsequent events work, so ask for those too, and for a summary of any meeting whose minutes are not yet written.
- [ ] Articles, bylaws or operating agreement, with any amendments made this year
- [ ] Significant contracts signed or amended during the year
- [ ] Chart of accounts, and any accounts added or closed this year
- [ ] Access to the accounting system, or the reports we name, with the run date and parameters
  AU-C 500 has the auditor obtain evidence that information the entity produces is accurate and complete. A report that shows how it was run is easier to test than a spreadsheet copied from it.

CASH

- [ ] Bank reconciliations for every account at year-end, with the statements
- [ ] The bank statement for the month after year-end, for each account
  It shows which outstanding checks and deposits in transit actually cleared.
- [ ] List of all bank, investment and loan accounts, with contact details for each institution
  The auditors send and receive confirmations themselves: AU-C 505 has them keep control of the requests. The client's part is the contact list and the authorization, not the mailing.
- [ ] Signed authorization for the bank confirmations, if the bank requires one
- [ ] Petty cash count or reconciliation at year-end, if material

RECEIVABLES AND REVENUE

- [ ] Aged accounts receivable listing at year-end, agreed to the ledger
- [ ] Customer names and addresses for the receivables confirmations
- [ ] Allowance for doubtful accounts, with the calculation and write-offs for the year
- [ ] Cash received after year-end against year-end receivables
- [ ] Revenue by stream and by month, compared with last year
- [ ] Contracts for the largest customers, and any with new or unusual terms
- [ ] Credit notes and returns issued after year-end
  A large credit in January can mean December's sale should not have been recorded.
- [ ] Deferred revenue and customer deposits schedule

INVENTORY

- [ ] Count instructions and the date and locations of the physical count
  When inventory is material, AU-C 501 has the auditor attend the count unless that is impracticable, so the team needs the date early enough to plan around it.
- [ ] Final priced inventory listing, agreed to the ledger
- [ ] Inventory held by third parties or on consignment, with the holder's contact details
- [ ] Reserve for slow-moving or obsolete stock, with the method
- [ ] Last receiving and shipping documents before and after the count, for cutoff
- [ ] Standard cost or overhead allocation workpapers, if costs are capitalized

FIXED ASSETS, LEASES AND OTHER ASSETS

- [ ] Fixed asset roll-forward, from opening cost and depreciation to closing
- [ ] Invoices for additions over [amount], and support for disposals
- [ ] Depreciation calculation and the policy for each asset class
- [ ] Lease schedule, with each lease's term, payments and discount rate
  Under ASC 842, a lessee recognizes on the balance sheet the assets and liabilities its leases create. Ask for the lease agreements behind the schedule, and any new or modified leases.

- [ ] Prepaid expenses schedule, with the invoices behind the largest items
- [ ] Deposits, intangible assets and other assets, with support for each balance

PAYABLES, ACCRUALS AND DEBT

- [ ] Aged accounts payable listing at year-end, agreed to the ledger
- [ ] Payments made after year-end, for the search for unrecorded liabilities
  This is how liabilities missing from payables are found, so the register should run to the date fieldwork starts.
- [ ] Schedule of accrued expenses, with the calculation for each
- [ ] Loan and line-of-credit agreements, and any amendments this year
- [ ] Debt schedule with balances, interest rates and maturities, agreed to lender statements
- [ ] Covenant calculations for the year, and any waivers

EQUITY

- [ ] Equity roll-forward for the year
- [ ] Share or membership register, and changes during the year
- [ ] Support for distributions, dividends and capital contributions
- [ ] Stock option or equity award schedule, if any

PAYROLL

- [ ] Payroll register summary for the year, agreed to the ledger
- [ ] Quarterly payroll tax returns and the annual W-2 and W-3 totals
- [ ] Accrued payroll, bonuses and paid time off at year-end, with the calculations
- [ ] Benefit plan contributions and the related reconciliations
- [ ] Officer compensation, and employment agreements for key staff

INCOME AND OTHER TAXES

- [ ] Last filed federal and state income tax returns

- [ ] Income tax provision workpapers, current and deferred, if applicable
- [ ] Sales and use tax returns for the year, reconciled to the ledger
- [ ] Property tax bills and any notices or correspondence from tax authorities

RELATED PARTIES, LEGAL MATTERS AND SUBSEQUENT EVENTS

- [ ] List of related parties, with changes from last year
  AU-C 550 has the auditor ask management who the related parties are and what changed since the prior period. A written list answers that once.
- [ ] Transactions and balances with related parties during the year
- [ ] List of outside legal counsel used during the year, with contact details
- [ ] Legal expense account detail and invoices from outside counsel
  AU-C 501 has the auditor review both. The legal letter itself is prepared by management and sent by the auditor.
- [ ] Description of any litigation, claims or assessments, open or threatened
- [ ] Latest interim financial statements after year-end
- [ ] Significant events after year-end, such as new debt, lawsuits or major contracts

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