

The background is a light gray gradient. It is decorated with several realistic water droplets of various sizes, some with highlights and shadows, giving them a 3D appearance. In the upper center, there is a faint, circular, embossed-style logo that appears to be a seal or crest, though its details are not clearly visible.

AUDIT REPORT & CERTIFICATE

MEANING:-

- **REPORT** — THE DOCUMENT THROUGH WHICH THE AUDITOR COMMUNICATES HIS OPINION IS KNOWN AS AUDIT REPORT. AN AUDITOR HAS TO SUBMIT AS PER REQUIREMENTS OF LAW OR AS PER OF CONTRACT, A REPORT OF HIS FINDINGS TO HIS CLIENT. IT IS THE MEDIUM THROUGH WHICH AN AUDITOR EXPRESSES HIS OPINION ON THE FINANCIAL STATEMENTS OR OTHER DATA UNDER AUDIT. AS SUBMISSION OF AUDIT REPORT IS RECOGNISED AS ONE OF THE MOST IMPORTANT DUTY OF THE AUDITOR, SO UTMOST CARE SHOULD BE TAKEN IN COMPILATION , DRAFTING & RENDITION OF REPORT MATERIALS.
- **CERTIFICATE**:- A CERTIFICATE IS A WRITTEN CONFIRMATION OF THE EXACTNESS OF THE FACTS STATED THEREIN & DOES NOT INVOLVE ANY ESTIMATE OR OPINION.

DIFFERENCE BETWEEN REPORT & CERTIFICATE

Points of Difference	Report	Certificate
Main object	The person who makes report, usually express his opinion	The person who gives certificates , vouchsafes the correctness or exactness of facts.
Nature & Type	The report prepared by the auditor is the outcome of his deep thought & is confined to within the organisation.	A certificate is usually prepared on the basis of each separate matter.
Time Limit	The report of the auditor is submitted to the shareholder at the end of each financial year.	In case of certificate there is no such time limit .
Responsibility	Audit Report does not hold the auditor responsible for anything wrong in the Financial statements.	Audit Certificate makes an auditor responsible, if anything stated in the certificate found as untrue later on.

CONTENTS OF AN AUDIT REPORT ACCORDING TO STANDARDS ON AUDITING:-

- TITLE
- ADDRESSEE
- INTRODUCTORY PARAGRAPH
- MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.
- AUDITOR'S RESPONSIBILITY
- AUDITOR'S OPINION
- OTHER REPORTING RESPONSIBILITY
- SIGNIFICANCE OF THE AUDITOR
- DATE OF THE AUDITORS REPORT.
- PLACE OF SIGNATURE

CHARACTERISTICS OF AN AUDIT REPORT

- SIMPLICITY
- INFORMATIVE
- FIRMNESS
- CLARITY & BREVITY
- UNBIASED OPINION
- LOGICAL OPINION
- CONVEYING REAL INFORMATION
- DATE & ADDRESS
- SIGNATURE OF THE AUDITOR.

CONTENTS OF AUDIT REPORT AS PER COMPANIES ACT 2013:-

- TRUE & FAIR VIEW EXHIBITED BY THE FINANCIAL STATEMENTS [SECTION 143(2)]
- AVAILABILITY OF INFORMATION & EXPLANATION [SEC. 143(3)(A)]
- MAINTENANCE OF PROPER BOOKS OF ACCOUNTS [SEC. 143(3)(B)]
- REPORT OF THE BRANCH AUDITOR[SEC. 143(3)(C)]
- AGREEMENT BETWEEN BOOKS OF ACCOUNTS & FINANCIAL STATEMENTS [SEC. 143(3)(D)]
- COMPLIANCE WITH ACCOUNTING STANDARDS[SEC. 143(3)(E)]
- COMMENTS OR OBSERVATION HAVING ADVERSE IMPACT ON FUNCTIONING[SECTION 143(3)(F)]
- DISQUALIFICATION OF DIRECTOR

CONTINUE.....

- ADVERSE COMMENT ON MAINTENANCE OF BOOKS OF ACCOUNTS[SEC. 143(3)(H)]
- ADEQUACY OF INTERNAL CONTROL SYSTEM [SEC. 143(3)(I)]
- EXPLANATION FOR NEGATIVE REMARK [SEC. 143(4)]
- COMPLIANCE WITH DIRECTIONS FROM CAG[SECTION 143(5)]
- REPORT OF FRAUD [SECTION 143(12)].
- MATTERS AS PER CARO
- OTHER MATTERS TO BE INCLUDED.

TYPES OF AUDIT REPORT

1. UNMODIFIED REPORT
2. MODIFIED REPORT
 - QUALIFIED AUDIT REPORT
 - ADVERSE AUDIT REPORT
 - AUDIT REPORT WITH DISCLAIMER OF OPINION.
 - AUDIT REPORT WITH AN EMPHASIS OF MATTER PARAGRAPH & OTHER MATTER PARAGRAPH.
3. PIECEMEAL AUDIT REPORT.

TRUE & FAIR VIEW:-

- IT IS THE PRINCIPLE WHICH IS WIDELY USED IN AUDITING & FINANCIAL ACCOUNTING. “ TRUE & FAIR” VIEW IN AUDITING MEANS THAT THE FINANCIAL STATEMENTS ARE FREE FROM MATERIAL MISSTATEMENT & FAITHFULLY REPRESENT THE FINANCIAL PERFORMANCE & POSITION OF THE ENTITY.
- IN GENERAL TERMS “ TRUE” DENOTES THAT FINANCIAL STATEMENTS ARE FACTUALLY CORRECT & HAVE BEEN PREPARED ACCORDING TO THE APPLICABLE REPORTING FRAMEWORK SUCH AS THE IFRS & THEY DO NOT CONTAIN ANY MATERIAL MISSTATEMENTS THAT MAY MISLEAD THE USERS.
- ON THE OTHER HAND “ FAIR” IMPLIES THAT THE FINANCIAL STATEMENTS PRESENT THE INFORMATION FAITHFULLY WITHOUT ANY ELEMENT OF BIAS & THEY REFLECT THE ECONOMIC SUBSTANCE OF TRANSACTIONS RATHER THAN JUST THEIR LEGAL FORM.

GUIDING FACTORS

- MATERIAL INFORMATION HAS BEEN PROPERLY DISCLOSED.
- IN PREPARING THE FINANCIAL STATEMENTS OF AN ENTITY, GENERALLY ACCEPTED ACCOUNTING PRINCIPLES HAVE BEEN STRICTLY ADHERED TO.
- FINANCIAL STATEMENTS OF THE ENTITY HAVE BEEN PREPARED IN ACCORDANCE WITH REGULATORY REQUIREMENTS.
- DUE CARE HAS BEEN TAKEN IN DEALING WITH THE EVENTS OCCURRING AFTER THE BALANCE SHEET DATE BUT PRIOR TO THE SUBMISSION OF THE AUDIT REPORT.
- THE INFORMATION CONTAINED IN THE FINANCIAL STATEMENTS ARE UNAMBIGUOUS
- FINANCIAL STATEMENTS ARE DRAWN UP IN SUCH A MANNER THAT THERE IS NO OVERSTATEMENTS OR UNDERSTATEMENTS.

MATERIALITY

- THE CONCEPT OF “ MATERIALITY” IMPLIES THAT TRIVIAL MATTERS ARE TO BE DISREGARDED & ALL IMPORTANT MATTERS ARE TO BE DISCLOSED . MATERIALITY IS THE CUT OFF POINT ABOVE WHICH MISSING OR INCORRECT INFORMATION IN FINANCIAL STATEMENTS IS CONSIDERED TO HAVE AN IMPACT ON THE DECISION MAKING OF USERS.
- AS PER SA – 320 (REVISED) “ MATERIALITY IN PLANNING & PERFORMING AN AUDIT” , MISSTATEMENT INCLUDING OMISSIONS ARE CONSIDERED TO BE MATERIAL IF THEY, INDIVIDUALLY OR IN AN AGGREGATE COULD REASONABLY BE EXPECTED TO INFLUENCE THE ECONOMIC DECISIONS OF THE USERS TAKEN ON THE BASIS OF THE FINANCIAL STATEMENTS.

DETERMINING / JUDGING MATERIAL

- NATURE OF TRANSACTION
- SIZE OR AMOUNT OF TRANSACTION
- JUDGING AN ITEM INDIVIDUALLY & IN AGGREGATE
- RELATIVE SIGNIFICANCE
- COMPARISON WITH PREVIOUS YEAR'S FIGURES.
- IMPACT OF PRIOR PERIOD ITEMS.
- PRECISE CALCULATION VS. ESTIMATION.