

Post Audit Follow Up Checklist

IMMEDIATE ACTIONS (WITHIN 7 DAYS)

Documentation Review

- Collect and review final audit report from auditors
- Verify all audit observations and findings are accurately documented
- Obtain signed management letter and representation letter
- Ensure auditor's certificate/report is properly signed and dated
- Review statutory auditor's report for any qualifications or emphasis of matter

Regulatory Compliance

- Check compliance with Companies Act 2013 requirements
- Verify adherence to applicable Accounting Standards (AS/Ind AS)
- Ensure GST audit compliance (if applicable)
- Review Income Tax audit requirements (if applicable)
- Confirm SEBI compliance for listed companies

MEDIUM-TERM ACTIONS (WITHIN 30 DAYS)

Management Response

- Prepare management responses to audit findings
- Develop action plans for addressing identified weaknesses
- Assign responsibility and timelines for corrective actions
- Document process improvements and internal control enhancements
- Schedule follow-up reviews with internal teams

Financial Reporting

- File annual returns with Registrar of Companies (ROC)
- Submit audited financial statements to relevant authorities
- Ensure proper disclosure of related party transactions
- Verify compliance with financial ratios and covenants
- Update books of accounts with audit adjustments

Board and Stakeholder Communication

- Present audit findings to Board of Directors/Audit Committee
- Communicate significant matters to shareholders (if required)
- Update lenders/creditors about audit results (if contractually required)
- Inform key stakeholders of material changes or findings



LONG-TERM ACTIONS (WITHIN 90 DAYS)

Internal Control Improvements

- Implement recommended internal control enhancements
- Update accounting policies and procedures
- Strengthen segregation of duties where identified as weak
- Enhance documentation and approval processes
- Review and update risk management framework

Process Optimization

- Streamline financial reporting processes
- Implement technology solutions for identified inefficiencies
- Update job descriptions and training requirements
- Establish monitoring mechanisms for ongoing compliance
- Create dashboard for tracking key financial metrics

Compliance Monitoring

- Set up quarterly compliance review meetings
- Establish internal audit function or enhance existing one
- Create compliance calendar for upcoming deadlines
- Implement early warning systems for compliance breaches
- Regular review of regulatory updates and changes



INDIA-SPECIFIC CONSIDERATIONS

Statutory Requirements

- Ensure compliance with mandatory rotation of statutory auditors (if applicable)
- Verify proper maintenance of statutory registers and records
- Check adherence to minimum board meetings and committee requirements
- Confirm proper appointment and remuneration of key managerial personnel
- Review compliance with CSR spending requirements (if applicable)

Tax Compliance

- Reconcile book profits with tax profits
- Review transfer pricing documentation (for multinational entities)
- Ensure proper TDS compliance and filings
- Verify advance tax payments and provisions
- Check compliance with various tax audit requirements

Industry-Specific Requirements

- Banking sector: RBI compliance and prudential norms
- Insurance sector: IRDAI regulations and solvency requirements
- Listed companies: SEBI disclosure requirements and corporate governance norms
- NBFCs: RBI registration and compliance requirements
- Import/Export: FEMA compliance and customs regulations



FOLLOW-UP TRACKING

Documentation

- Maintain audit file with all correspondence and responses
- Create action item tracker with responsible persons and deadlines
- Document lessons learned for future audit cycles
- Update internal policies based on audit recommendations
- Prepare summary report for senior management

Performance Monitoring

- Establish KPIs to monitor implementation of recommendations
- Schedule quarterly reviews of action plan progress
- Conduct self-assessment before next audit cycle
- Track improvement in audit findings year-over-year
- Monitor cost-benefit analysis of implemented changes

Relationship Management

- Provide feedback to auditors on audit process
- Plan for next year's audit scope and timeline
- Maintain regular communication with regulatory bodies
- Engage with professional consultants for complex issues
- Build relationships with peer companies for best practice sharing



QUALITY ASSURANCE

Review Process

- Independent review of all corrective actions taken
- Testing of new controls and processes implemented
- Validation of data accuracy and completeness
- Review of management override controls
- Assessment of overall control environment improvement

Continuous Improvement

- Benchmark against industry best practices
- Identify opportunities for automation and digitization
- Regular training and development of finance team
- Stay updated with regulatory changes and accounting standards
- Periodic review and update of this checklist based on experience

