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CARO 2020 Fixed Asset Verification: Compliance & Evidence Checklist

Mapped to Clause 3(i) of the Companies (Auditor's Report) Order, 2020. Tick each item and keep the corresponding evidence in the audit file. To be read alongside the applicable Standards on Auditing and ICAI guidance.

1. Records of PPE and intangible assets — Clause 3(i)(a)

- ☐ FAR shows, asset-wise: description, tag/ID number, quantity, location (situation), cost, capitalisation date, depreciation
- ☐ Grouped entries broken down so quantitative details are asset-wise
- ☐ FAR locations correspond to real, current physical locations
- ☐ Separate register of intangible assets maintained with full particulars

2. Physical verification and discrepancies — Clause 3(i)(b)

- ☐ Written verification policy states the frequency and method adopted by management
- ☐ Latest verification documented: scope, cut-off date, methodology, locations covered
- ☐ Verification performed in both directions: sheet-to-floor (existence) and floor-to-sheet (completeness)
- ☐ Exception report classifies every discrepancy: not found / unrecorded / location / condition
- ☐ Material discrepancies investigated and adjusted in the books with management approval
- ☐ Signed location sheets, photographs and verifier details retained as evidence

3. Title deeds of immovable property — Clause 3(i)(c)

- ☐ Schedule of all immovable properties in the FAR matched to title deeds in the company's name
- ☐ Lender confirmation letters on file where original deeds are with lenders
- ☐ Where deeds are not in the company's name: reason, holder details and period documented

4. Revaluation — Clause 3(i)(d)

- ☐ Any revaluation during the year carried out by a registered valuer, report on file
- ☐ Where the change is 10% or more of the net carrying value of the class, disclosure workings prepared

5. Benami proceedings — Clause 3(i)(e)

- ☐ Written management confirmation on whether any benami proceedings are pending
- ☐ Disclosure made in the financial statements where proceedings exist

6. The evidence file — keep ready before the audit begins

- ☐ FAR / ERP extract as on the balance sheet date
- ☐ Verification policy and the latest verification report
- ☐ Exception report and reconciliation workings with approvals
- ☐ Journal vouchers for adjustments arising from verification
- ☐ Title deed schedule with copies or lender confirmations
- ☐ Registered valuer's report and 10% disclosure workings (if revalued)

- Management representation: verification, title deeds, benami proceedings

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