Statutory Audit
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Statutory Audit

Introduction

The term audit generally refers to auditing of financial statements. In an audit, the Auditor provides the expert opinion about the quality of and attests the truth of the statements. Audit also applies to non-financial matters as well, like audit of operations, efficiency, etc.

Simply put, audit means a critical and intelligent examination of facts – financial or otherwise, to provide a certificate or report an attestation, an expert opinion or advice.

As per the Auditing and Assurance Standards on basic principles governing an audit, SA 200 (old AAS 1) published by the Institute of Chartered Accountants of India, an audit is an independent examination of financial information of any entity, whether profit oriented or not, and irrespective of its size or legal form, when such examination is conducted with a view to express an opinion thereon.

Scope and objective of Audit

The Auditing and Assurance Standard: Objectives and Scope of Audit of Financial Statements, SA 200A (old AAS 2) of The Institute of Chartered Accountants of India, specifies that the main objective of an audit is to express an opinion about truth and fairness of the financial statements.

The audit procedures performed is to give the opinion about the financial statements include examination of the financial statements and satisfy about the truth and fairness of the financial position and operating results of the enterprise.

An audit has other objectives which are detection and prevention of errors and frauds.

The scope of audit refers to the identification or delineation of audit related aspects with regard to the objective of audit, procedures, areas to be covered etc. It also relates the auditor's concern in the underlying accounting records and source documents.

The scope of audit is governed by:

- the terms of engagement
- relevant statutory provisions
- relevant Institute pronouncement
Statutory Audit

The term Statutory Audit refers to the audit/verification performed by a Chartered Accountant to ascertain whether the books of accounts prepared are in conformance with the accepted accounting principles, policies and law/statutes and reflect a true and fair view of the business state of affairs to interested parties.

The financial information is certified by the Chartered Accountant that they either conform or qualify in the audit report.

The statutes governing the audit of financial information is based on the type of business of the Client. It may range from a Sole Proprietary, Partnership to a complex structure like a Limited Company.

Various provisions in law exist for auditing of different types of business. We are more familiar with the Companies Act, 1956, which provides for various sections relating to audit.

Sec 224- relates to appointment and remuneration of Auditors
Sec 224 A- appointment of an Auditor in a Company by a Special Resolution in certain cases
Sec 226- Qualifications and Disqualifications of an Auditors
Sec 227 - Powers and Duties of Auditors
Sec 228 - Audit of Accounts of Branch Office of Company
Sec 229 - Signature of Audit Reports, etc.

Features of Tally.ERP 9 Auditors’ Edition

The Tally.ERP 9 Auditors’ Edition comes with these features to equip the Chartered Accountant to audit the accounts of an assessee efficiently and effectively:

- IT Assisted Audit services
- Remote Access clients’ data/reports using Tally.ERP 9 Auditors’ Edition
- Post corrections and clarifications remotely
- Classification of records based on relevant clauses
- Facility to record & store Audit Note/Remark for every voucher
- Track alterations/modifications to vouchers post audit
- Facility to configure blocking of back dated entries
- Allow column sorting and multi-selection of vouchers during Audit
- Dashboard showing the statistics of Sampled, Audited, Clarifications sought, received and Unaudited vouchers/records
- Generate related reports & annexure
Benefits of Tally.ERP 9 Auditors’ Edition

The benefits an Auditor get using the Tally. ERP 9 Auditors’ Edition is:

- savings in audit time resulting in increased audit productivity and efficiency
- ability to audit transactions online
- availability of information to prepare audit working papers-document observations
- extract financial information required for Tax Audit (under Section 44AB)
- increase in additional avenues of billable services
- able to monitor the work of the audit team
- ensures that the audit work is interesting
- features that help the Auditor to provide opinions confidently

Features available under Stat Audit in Tally.ERP 9 Auditors’ Edition

Tally.ERP 9 Auditors’ Edition provides the powerful features in the area of Statutory Auditing.

To access the features of the Audit & Compliance menu, execute these steps.

1. Open Tally.ERP 9 AE to display the Gateway of Tally screen
The **Gateway of Tally** screen is displayed.

![Gateway of Tally](image)

**Figure 1. Audit & Compliance Menu**

2. Select **Audit & Compliance** and press **Enter**
The Audit & Compliance menu in the Gateway of Tally screen is displayed.

Figure 2. Statutory Audit features

The features under the heading of Statutory Audit are:

- Audit Programme
- Audit & Analysis
- Audit Journals
- Financial Statements
Audit Programme

Lesson Objectives
On completion of this lesson, you will be able to:

- define an audit programme
- copy audit programme of
  - previous year to current year
  - one company to another

This feature sets out the starting point of engaging the Client on the audit of the books of accounts. Basically the feature provides for entry of standing details about the Client and the Auditor and most importantly the area of audit work to be covered and done.

The Audit & Compliance screen is displayed.

![Audit & Compliance Screen](image)

Figure 3. Selection of Audit Programme Feature

1. Select **Audit Programme** in **Audit & Compliance** screen and press **Enter**
The **Audit Programme** screen is displayed.

![Audit Programme Screen](image)

You will notice the **Audit Period** (Current year) and **Previous Audit Period** details are mentioned by default on the right top of the screen.

The details in the screen are:

**Set/Alter Client & Auditor Details**: Select Yes/No as the value. If you select Yes, then you can enter the details under **Client Details** and **Auditor Details**.

**S.No** - The serial number of the selected area of audit is displayed automatically.

**Areas of Audit** - The financial activity that has to be audited by the Auditor.

**Period** - The time period of the audit. The columns to enter are **Estimated** and **Actual**. The value can be day(s), hour(s), etc. and is an approximate.

**Verified By** - A senior person who manages and supervises the audit activity at the Client site. It can be a Senior Auditor or the Chartered Accountant. The default value is **Not Assigned**, but a list of auditors (refer **Auditor Details** below) is displayed in the **Audit Team** window.

**Extent of Verification** - The scope and the extent of the audit activity. It can be 100% or a sample of the transactions or any other measure decided by the Auditor in consultation with the Senior Auditor/Chartered Accountant.

**Verification Remarks** - The remarks that the Auditor/Audit Senior enters after the completion of the audit of the activity.
The buttons on the status line of the screen are:

**Ctrl +Q:** Quit - Click this button to quit the Audit Programme screen

**Ctrl +A:** Accept - Click this button to save the entries in the screen.

**Ctrl +O:** Copy Program - Click this button to copy the audit programme from the previous year of the same Company (Client) or from another Company under your audit.

Select **Yes** against **Set/Alter Client & Auditor Details** and press **Enter**

The Client Details and the Auditor Details in the Audit Programme screen is displayed.

![Client Details and Auditor Details](image)

Figure 5. Client & Auditor Details in Audit Programme Screen

The following details are entered/captured under **Client Details**.

**Name:** The name of the Client is automatically displayed against this field.

**Address:** The address of the Client is automatically displayed against this field.

**Phone:** Enter/Type the phone number of the Client.

**Mobile:** Enter/Type the mobile number of the Client.

**Email:** Enter/Type the e-mail address of the Client.

**Company Status:** Select the appropriate status of the client. The values are displayed:
Industry Type: Enter/Type the type/nature of the Client. For Example, Trading, Manufacturing, Financial Institution, etc.

No of Branches (if any): Enter/Type the number of branches operated by the Client.

Branch Details: Enter/Type the details of the branches operated by the Client.

The details under Auditor Details are:

Firm Name: Enter/Type the name of the Audit Firm.

Address: Enter/Type the address details of the Audit Firm.

Audit Team: Enter/Type the names of the members constituting the Audit Team.

Use Ctrl + Enter to enter the Auditors' names in a row in the Audit Team field.
2. Press **Enter** to display the **Audit Programme** screen with the details of **Areas of Audit** window.

![Audit Programme Screen with Areas of Audit](image)

**Figure 7. Audit Programme Screen with Areas of Audit**

The **Audit Programme** screen displays the **List of Audit Areas** window for selection. A set of default areas of audit are available for selection. In case you want to define your own area of audit, you can use the option of **User Defined Area of Audit**.

**User Defined Area of Audit**: Define the area of audit which is different from the available options/selections in the product. In such instance, select the **User Defined Area of Audit** option under **List of Areas of Audit**.

![List of Audit Areas](image)

**Figure 8. List of Audit Areas Window**
3. Click **User Defined Area of Audit** and press **Enter**

The **Adding User Defined Area of Audit** window in the **Adding User Defined Area of Audit** screen is displayed.

![Adding User Defined Area of Audit](image)

Figure 9. Adding User Defined Area of Audit Screen

4. Type the details under **Adding User Defined Areas of Audit** window and press **Enter**

*Use Ctrl + Enter to enter the user defined audit area in a row in the window.*

The **Audit Programme** screen after entry of the user defined area of audit is displayed.

![Audit Programme](image)

Figure 10. Audit Programme Screen with User Defined Area of Audit
5. Click **End of List** under **List of Audit Areas** to exit

![Figure 11. Saving Defined Area of Audit Screen](image)

6. Accept and save the entry

**Copy of Audit Programme from the Previous Year**

You can copy the audit programme of a previous year of the same Company of the Client or from another Company under your audit.

7. Click **Ctrl + O: Copy Program** in the **Audit Programme** screen

The **Data Configuration** windown in the **Data Configuration** screen is displayed.

![Figure 12. Data Configuration Screen to select the FY](image)

8. Select the financial year from the **Financial Year** window

9. Accept and save the selection
The **Data Configuration** window in the **Data Configuration** screen after selection of the financial year is displayed.

![Data Configuration Window](image)

Figure 13. Copying of Audit Programme from a Prev Year

**Copy of Audit Programme from another Company**

Open the Company from where you want to copy the audit programme. For example, open the Company, **DEMO**, whose audit programme you want to copy to the current Company.

10. Click **Ctrl + O**: Copy Program in the current Company, **National Traders 09-10**

The **Data Configuration** screen is displayed.

![Data Configuration Screen - Copy of Audit Programme from other Company](image)

Figure 14. Data Configuration for Selection of Company

11. Select **Demo** from **List of Companies** window

12. Select the financial year from the **Financial Year** window

The **Data Configuration** window in the **Data Configuration** screen after the selections is displayed.

![Data Configuration Window](image)

Figure 15. Data Configuration Screen - Copy of Audit Programme from other Company
The **Audit Programme** screen after copying from another Company is displayed.

![Audit Programme Screen after copy of details from other Company](image)

Figure 16. Audit Programme Screen after copy of details from other Company
Button Menus in Audit Programme

The button menus are present in the bottom of the right side panel. The button menus in the Audit Programme screen are displayed.

**F9: Inventory Reports** - Click F9: Inventory button menu or the function key F9 to select and generate the required inventory report (default Tally.ERP 9 feature).

**F10: Acc Reports** - Click F10: Acc Reports button menu or the function key F10 to select and generate the required accounting report (default Tally.ERP 9 feature).

**Alt + F10: Audit Reports** - Click Alt + F10: Audit Reports button menu or the Alt and F10 keys together to select the required audit report for the purpose of the audit (will be discussed in the Audit & Analysis feature).

**F11: Features** - Click F11: Features button menu or function key F11 to configure details relating to Accts, Inv, Stat, Tally.Net and Audit (default Tally.ERP9 feature).
Audit & Analysis

Lesson Objectives

On completion of this lesson, you will be able to:

- know the main features & menus in the Audit & Analysis Screen
- compare the data of the current year with the previous year

Audit & Analysis

1. Select Audit & Analysis under Statutory Audit in the Audit & Compliance screen and press Enter

The Audit & Analysis screen is displayed.

The screen is composed of two sections, Data Analysis and Auditing.
Data Analysis

The Data Analysis section is the top part while the Auditing section is in the bottom of the Auditing & Analysis screen.

Data Analysis is a process by which you (Auditor) can check for the quality of the financial data by generating exceptions, performing analyses and other verification activities that help in defining the scope and the extent of the audit. The findings of the Data Analysis provides a support to you when preparing the audit report.

The current release of Tally.ERP 9 Auditors’ Edition comes with a set of major analysis methods under Data Analysis useful while performing the Statutory Audit.

Using the features, you can:
- generate exceptions from the accounting data.
- perform various types of data analyses and verifications.

In the process of auditing, you will be comparing data of the current year with the previous year to arrive at the audit conclusions.

Following are the features under Data Analysis:
- Verification of Chart of Accounts
- Verification of Stock Items
- Verification of Balances
- Analytical Procedures
- Pending Documents
- Statutory Payments
- Fixed Assets Analysis
- Periodic Payments and Receipts
- Repeated Value Transactions
- Relative Size Factor (RSF)

There features under the heading Auditing, relate to vouching of normal transactions and those related to special transactions like forex, related party, MSME, etc.

Features under Auditing are:
- Verification of Vouchers
- Related Party Transactions
- Forex Transactions
- Micro, Small & Medium Enterprise (MSME) Transactions
- Salary / Wages Payments
On the right top portion of the above image, you will find the value for **Audit Period** is **1-Apr-2009** to **31-Mar-2010** while the value for **Previous Year Company** is mentioned as **Not Applicable**. This means that we have to select the data of the previous year, 2008-09 for comparison.

The other features/buttons in the screen are:

- Button menus on the right panel consisting of:
  - F2: Period
  - Ctrl + F3: Compare Cmp
  - Ctrl + F9: Master Config
  - F9: Inv Reports
  - F10: Acc Reports
  - Alt + F10: Audit Reports
  - F11: Features
- Ctrl + Q- button menu on the status bar to quit the screen

**Verification Complete?** This column is used after the end of the verification process. After the verification, select the required feature by pressing the **Spacebar**. The button **Alt+ F9: Verify** is enabled in the right panel on the screen.

The **Audit & Analysis** screen after verification is displayed.

![Figure 19. Enabling Alt+F9: Verify button in Audit & Analysis Screen](image-url)
Click **Alt + F9: Verify.**

The **Save Statutory Audit** window in the **Statutory Audit** screen is displayed.

![Save Statutory Audit Window](image)

Figure 20. Save Statutory Audit Window

Select **Yes/No** against **Verification Complete**

The **Audit & Analysis** screen after the selection is displayed (if you have selected **No** as the value).

![Status of Verification of Data Analysis Feature](image)

Figure 21. Status of Verification of Data Analysis Feature

**Auditing**

The Dashboard columns under **Auditing** are:

- **Total** - This is the total number of vouchers/transactions to be audited.
- **% of sampled vouchers** - This is the proportion of number of vouchers/transactions sampled against the total number of vouchers (population) mentioned in percentage terms.
- **Sampled** - The number of vouchers sampled is displayed under this column.
- **Audited** - The number of vouchers/transactions audited against each audit feature is displayed.
- **Under Observation** - This is the number of vouchers/transactions under the observation of the Auditor. No final decision is taken on their disposal/status.
- **Need Clarification** - This is the number of vouchers/transactions that require additional information or clarification from the Client.
**Clarified (To be re-audited)** - This is the number of vouchers/transactions clarified by the Client but have to be audited again.

**Altered (To be re-audited)** - This is the number of audited vouchers/transactions altered by the Client and hence had to be audited again.

**Comparison of Current Year’s data with the Previous Year**

Load the current year’s data using the **Select Company** option under **Company Info.** in the **Gateway of Tally** screen. Before commencing the audit using the features under **Audit & Analysis**, you have to compare the data of the current year with the previous year. For example, if the current year under audit is for the **FY 2009-10**, then the previous year is **FY 2008-09**.

Compare the data of the two years (current and previous years) stored in two different folders:

*If the data of the current and the previous years are available in the same folder, then click the F2: Period button menu to compare the two years data.*

The **Audit & Analysis** screen is displayed.

![Figure 22. Compare Company Menu](image)

1. Click **Ctrl + F3: Compare Cmp** in the **Audit & Analysis** screen

The **Compare Company** window in the **Compare Company** screen is displayed.

![Figure 23. Compare Company Window](image)
2. Select the previous year data from **List of Companies** and press **Enter**

The **Company** window in the **Company Login** screen for the selected company is displayed.

![Company Login Window](image)

**Figure 24. Company Login Window**

3. **Type/ Enter** the user name against **Name of User**

4. **Type/ Enter** the password value against **Password (if any)** and press **Enter**

The **Audit & Analysis** screen after selecting the previous year’s company data is displayed.

![Audit & Analysis Screen](image)

**Figure 25. Audit & Analysis Screen with Previous Year Details**

You will notice on the right top corner of the image the values for:

- **Audit Period** - 1-Apr-2009 to 31-Mar-2010
- **Previous Year Company** - National Traders 08-09

**Button menus in Audit & Analysis screen**

**F2: Period**: Click **F2: Period** button menu or click **F2** the function key to select the data of the year to be audited. Use this button menu when the data of the current and previous years are in the same folder.

The **Financial Year** window in the **Assessment Year** screen is displayed.

![Financial Year Window](image)

**Figure 26. Financial Year Window for Selection**

The value of the current year is available by default for selection.

**Ctrl + F3: Compare Cmp** - Click **Ctrl + F3: Compare Cmp** button menu or click **Ctrl** and **F3** keys together for comparing current year data with that of the previous year (already discussed above).

**Ctrl + F9: Master Config** - Click **Ctrl + F9: Master Config** button menu or click **Ctrl** and **F9** keys together to configure the data for MSME, Related Party, Periodic Payments and Receipts and Sampling verifications (will be discussed under **Auditing** features).
**F9: Inv Reports** - Click **F9: Inv Reports** button menu or click **F9** key to generate inventory reports from the default Tally.ERP 9 product (default Tally.ERP9 feature).

The **Inventory Reports** window is displayed.

![Figure 27. Inventory Reports for Selection](image)

**F10: Acc Reports** - Click **F10: Acc Reports** button menu or click **F10** key to generate accounting reports from the default Tally.ERP 9 product (default Tally.ERP9 feature).

The **Accounting Reports** window is displayed.

![Figure 28. Accounting Reports for Selection](image)

**Alt+ F10: Audit Reports** - Click **Alt + F10: Audit Reports** button menu or click **Alt** and **F10** keys together to directly access the audit reports/features.
The **Audit Reports** window is displayed.

![Audit Reports Window](image)

**Figure 29. Audit Features for Direct Selection**

**F11: Features-F11: Features** - Click **F11: Features** button menu or function key **F11** to configure details relating to Accts, Inv, Stat, Tally.Net and Audit (default Tally.ERP9 feature).

The **Accounting Features** (part of **F11: Features**) screen is displayed.

![Accounting Features Screen](image)

**Figure 30. F11: Features- Accts, Inv,Stat, Tally.Net and Audit**
Lesson Objectives

On completion of this lesson, you will be able to:

- extract relevant exceptions under stock items
- verify the exceptions

Verification of Stock Items

The second feature under Data Analysis is the Verification of Stock Items.

Under this feature the exceptions relating to stocks used for manufacturing are reported.

1. Select **Verification of Stock Items** under Data Analysis in the Audit & Analysis screen and press Enter

The **Verification of Stock Items** screen is displayed.

---

Figure 31. Verification of Stock Items Screen
The details in the screen are:

On the right top corner, you will find the accounts data of two years are compared, i.e. **FY 2009-10** with **FY 2008-09** under *Audit Period* and *Previous Year Company* respectively.

**Type of Ledger - All Exceptions** – Currently all exceptions relating to stock items are displayed. This is based on the configurations defined in **F12: Configure** button menu.

The **Configuration** window in the **Configuration** screen is displayed.

![Configuration Window in F12: Configuration Screen](image)

**Under** - These are exceptions displayed under **Primary** Groups of the inventory data. If you want to display the exceptions for a particular stock sub group, click **F4: Group** to select the sub group. This screen will be described later in the Chapter.

**Particulars** - The existing exceptions under the **Primary** Stock Groups are displayed.

The details mentioned are:

- Different types of stock item exceptions
- Number of such exceptions

**Name of Group** - The details of the Stock Group containing the exceptions are displayed. This information is also configured through the **F12: Configure** button menu.

The **Configuration** window in the **Configuration** screen is displayed.

![Show Stock Group in F12:Configure Screen](image)
The group details are displayed on clicking **Alt + F1:Detailed** button menu. This screen will be described later in the Chapter.

**Date**-This field is the date of the stock transaction related to the exception.

**Opening Balance (Current Year)**-This is the opening balance of the stock item during the current year. The stock balance details are displayed on selecting an exception and drilling down to the item level.

**Closing Balance (Previous Year)**-This is the closing balance of the stock item during the previous year. The stock balance details are displayed on selecting an exception and drilling down to the ledger level.

**Menus on the Status Bar**

**Ctrl + Q: Quit**- Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Alt + R: Remove Line**- Click **Alt + R** to remove a line (exception) temporarily in the screen.

**Alt + U: Restore Line**- To restore the line (exception) in the display, click **Alt + U**: **Restore Line**.

**Ctrl + U: Restore All**- This menu is enabled after clicking **Alt + R: Remove Line** menu. If you remove all lines (exceptions), you can restore them by clicking **Ctrl + U: Restore All** menu.

**Space: Select**- Select a stock item by pressing the **Spacebar** or **Space: Select** in the detailed mode (**Alt+F1:Detailed**) for verification of the exception. To deselect the ledger, select it and press the **Spacebar** or **Space: Select** again.

**Configuration**

The details relating to the exceptions in the report can be defined by using the **F12: Configuration** button menu and making the appropriate definitions:

Click **F12:Configure** in the **Verification of Chart of Accounts** screen to display all exceptions.

The **Configuration** window in the **Configuration** screen is displayed.

![Configuration Window](image.png)

Figure 34. Show Ledgers having Status as All Items in F12:Configure Screen
Select **All Items** against **Show Stock Items of Type**

Select appropriate values for other configurations and press **Enter**

The **Verification of Stock Items** screen after the configurations is displayed.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>National Traders 09-10</th>
<th>National Traders 08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date 1-Apr-2009 to 31-Mar-2009</td>
<td>Date 1-Apr-2008 to 31-Mar-2009</td>
</tr>
<tr>
<td>Type of Stock Item</td>
<td>Under</td>
<td>Under</td>
</tr>
<tr>
<td></td>
<td>All Items</td>
<td>All Items</td>
</tr>
<tr>
<td></td>
<td>Primary</td>
<td>Primary</td>
</tr>
<tr>
<td>Name of Group</td>
<td>Date</td>
<td>Date</td>
</tr>
<tr>
<td></td>
<td>Opening Balance</td>
<td>Closing Balance</td>
</tr>
<tr>
<td></td>
<td>Quantity, Rate, Value</td>
<td>Quantity, Rate, Value</td>
</tr>
<tr>
<td>Difference in Opening Stock</td>
<td>(6 Stock Items)</td>
<td></td>
</tr>
<tr>
<td>Negative Stock</td>
<td>(2 Stock Items)</td>
<td></td>
</tr>
<tr>
<td>No Change</td>
<td>(21 Stock Items)</td>
<td></td>
</tr>
<tr>
<td>Not Used</td>
<td>(2 Stock Items)</td>
<td></td>
</tr>
<tr>
<td>Not Used in Current Year</td>
<td>(1 Stock Item)</td>
<td></td>
</tr>
<tr>
<td>Used Only in Current Year</td>
<td>(1 Stock Item)</td>
<td></td>
</tr>
</tbody>
</table>

**Difference in Opening Stock**: This exception displays the difference(s) in the closing stock value(s) of stock item(s) in the previous year with the opening stock value(s) in the current year.

**Negative Stock**: The details of the stock items having a negative closing balances are displayed.

**No Change**: The number of stock items that do not come under any exceptions.

**Not Used**: The number of stock items not used in both years, current and the previous years. The stock items may be redundant and have to be reviewed for retention.

You can decide to maintain/delete such ledgers as unnecessary/redundant data take more time to load.

**Not Used in Current Year**: The number of stock items that are not used in the current year. This necessitates the verification of their physical balances and the reason why they were not used in the production during the current year.

**Used Only in Current Year**: The number of stock items purchased during the current year.
**Difference in Opening Stock:**

1. Select **Difference in Opening Stock** in the **Verification of Stock Items** screen and press **Enter**

The **Verification of Stock Items** screen with the stock item type **Difference in Opening Stock** is displayed.

![Figure 36. Details of Difference in Opening Stock Screen](image)

The screen details are:

**Type of Stock Item: Difference in Opening Stock** – The exception details of the stock items whose closing balances as per the previous year do not tally with the opening balances in the current year.

The reason for such a situation may be due to:

- Adjustments in stock items quantities during the previous year were not recorded during the current year

**Under**- The exceptions are displayed under **Primary** Stock Groups of the inventory data. If you want to display the exceptions for a particular sub group, click **F4: Group** to select the sub group

**Particulars**- The stock items whose closing balances as per the previous year do not tally with the opening balances in the current year are displayed.

**Name of Group**: The name of the Stock Group is displayed.

**Opening Balance (Current Year)**-This is the opening balance of the stock item during the current year. The stock item’s rate and value are also displayed.

**Closing Balance (Previous Year)**-This is the closing balance of the stock item during the previous year. The stock item’s rate and value are also displayed.

2. Select any stock item (for e.g. **IBM Mouse**) in the **Difference in Opening Stock** screen and press **Enter**
The **Stock Vouchers** screen is displayed with the transaction details for the selected stock item.

![Figure 37. Voucher Details for Selected Stock Item](image)

You may select any voucher transaction by pressing **Enter** or **Ctrl + Enter** keys and examine its details.

After verification of the voucher details, you can decide the action to be taken in respect of the exception.

**Tips**

*If you want to correct the opening balance of the stock item in the current year, click **Ctrl + Enter** keys in the **Difference of Opening Stock** screen and make appropriate change in the opening balance in the **Stock Item Alteration (Secondary)** screen. You may do so if your client has provided you access to the accounting data.*

In the above screen, you will find the following details for the exception, **Difference in Opening Stock**.

- **There are 6 stock items whose closing balances in the previous year do not tally with the opening balances in the current year.**
Negative Stock:

1. Select **Negative Stock** in the **Verification of Stock Items** screen and press **Enter**

The **Verification of Stock Items** screen with the stock item type **Negative Stock** is displayed.

![Negative Stock Details Screen](image)

The screen details are:

**Type of Stock Item: Negative Stock** – The exception details of the stock items whose closing balances in the current year are negative values.

The reason for such a situation may be due to:

- Stock receipts are not properly recorded in the inventory records

**Under**- The exceptions are displayed under **Primary** Stock Groups of the inventory data. If you want to display the exceptions for a particular sub group, click **F4: Group** to select the sub group

**Particulars**-The stock items whose closing balances in the current year are negative values are displayed.

**Name of Group**: The name of the Stock Group is displayed.

**Opening Balance (Current Year)**-This is the opening balance of the stock item during the current year. The stock item’s rate and value are also displayed.

**Closing Balance (Current Year)**-This is the closing balance of the stock item during the current year. The stock item’s rate and value are also displayed.

2. Select any stock item (for e.g. **CDROM Jackets**) in the **Negative Stock** screen and press **Enter**
The **Stock Vouchers** screen is displayed with the transaction details for the selected stock item.

![Stock Vouchers Screen](image)

**Figure 39. Negative Stock Details Screen - CDROM Jackets**

From the above image it is clear that the:

- **Opening balance:** 5 boxes
- **Purchase:** 500 boxes
- **Outwards:** 550 boxes
- **Closing balance:** (-)45 boxes

You may verify the transactions by pressing **Enter** or **Ctrl + Enter** keys and examine the details.

After verification of the voucher details, you can decide the action to be taken in respect of the exception.

In the above screen, you will find the following details for the exception, **Negative Stock**.

- There are 2 stock items whose closing balances are negative values in the current year.
**No Change**: By the exception’s name you can find that stock items that do not come under any exceptions. Therefore there are no discrepancies associated with these items. You can drill down to verify the details under this category.

The **Verification of Stock Items** screen with the details of **No Change** is displayed.

![No Change Details](image)

From the image displayed above it is clear:

- There are 21 stock items having no discrepancies

**Not Used**:

1. Select **Not Used** in the **Verification of Stock Items** screen and press **Enter**

The **Verification of Stock Items** screen with the stock item type **Not Used** is displayed.

![Not Used Stock Items Screen](image)

The screen details are:

**Type of Stock Item**: **Not Used** – These are stock items that have not been used in the current and the previous years.

The reason for such a situation may be due to:

- Stock items could have become obsolete and not required in the production
- Stock items masters were created without a necessity
Under- The exceptions are displayed under **Primary** Stock Groups of the inventory data. If you want to display the exceptions for a particular sub group, click **F4: Group** to select the sub group.

**Particulars**-The stock items which were not used during both the years are displayed.

**Name of Group**: The name of the Stock Group is displayed.

**Opening Balance (Current Year)**-This is the opening balance of the stock item in the current year.

**Closing Balance (Previous Year)**-This is the closing balance of the stock item in the previous year.

From the image displayed above it is clear:

- *There are 2 stock items which have not been used in both the years*

**Not Used in Current Year**

1. Select **Not Used in Current Year** in the **Verification of Stock Items** screen and press **Enter**

The **Verification of Stock Items** screen with the details of **Not Used in Current Year** ledgers is displayed.

![Figure 42. Not Used in Current Year Screen](image)

The screen details are:

**Type of Ledger: Not Used in Current Year** – The exceptions details of stock items that have not been used in the current year are displayed.

The reason for such a situation may be due to:

- Item does not form a part of the manufacturing cycles
- Sale of item is not continued for business reasons

Under- The exceptions are displayed under **Primary** Groups of the inventory data. If you want to display the exceptions for a particular Sub Group, click **F4: Group** to select the sub group.

**Particulars**-The ledgers that are not used in the current year are displayed.
**Last Voucher Date**: This is the date of the last transaction relating to the stock item during the previous year.

**Opening Balance (Previous Year)** - The opening balance of the stock item in the previous year.

**Closing Balance (Previous Year)** - The closing balance of the stock item in the previous year.

From the above image, you can infer:

- There is 1 stock item that was not used in the current year

**Used Only in Current Year**

1. Select **Used Only in Current Year** in the **Verification of Stock Items** screen and press Enter

The **Verification of Stock Items** screen with the details of **Used Only in Current Year** ledgers is displayed.

![Figure 43. Used Only in Current Year Screen](image)

The screen details are:

**Type of Ledger: Used Only in Current Year** – The exceptions details of stock items that have been only used in the current year are displayed.

The reason for this exception is:

- A new product item was manufactured/sold during the current year and therefore new stock items were required for the purpose

**Under** - The exceptions are displayed under **Primary** Groups of the inventory data. If you want to display the exceptions for a particular Group/Sub Group, click **F4: Group** to select the sub group

**Particulars** - The stock items that have been only used in the current year are displayed.

**First Voucher Date** - This is the date on which the first transaction was recorded for the stock item.

**Opening Balance (Current Year)** - The opening balance of the stock item in the current year.

**Closing Balance (Current Year)** - The closing balance of the stock item in the current year.
From the above image, you can infer:

- There is 1 stock item that was used in the current year (refer First Date Details)

**Button menus in Verification of Stock Items feature**

**Alt+F1: Detailed/Condensed**: Click **Alt + F1: Detailed** button menu or click **Alt** and **F1** keys together to display an expanded details of stock items under all types of exceptions in a single report.

The **Verification of Stock Items** screen with expanded details of stock items is displayed.

```
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Name of Group</th>
<th>Date</th>
<th>Opening Balance</th>
<th>Closing Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>National Traders 09-10</td>
<td>National Traders 08-09</td>
<td></td>
</tr>
<tr>
<td>Difference in Opening Stock (6 Stock Items)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dust Covers</td>
<td>Accessories</td>
<td>75 Nos</td>
<td>35.96</td>
<td>2,772.32</td>
</tr>
<tr>
<td>Assembly Fryer</td>
<td></td>
<td>75 Nos</td>
<td>35.96</td>
<td>2,772.32</td>
</tr>
<tr>
<td>Main Location</td>
<td></td>
<td>75 Nos</td>
<td>36.96</td>
<td>2,772.32</td>
</tr>
<tr>
<td>Stores</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBM Mouse</td>
<td>Accessories</td>
<td>100 Nos</td>
<td>641.12</td>
<td>84,112.00</td>
</tr>
<tr>
<td>Stores</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBM PIV</td>
<td>IBM</td>
<td>100 Nos</td>
<td>641.12</td>
<td>84,112.00</td>
</tr>
<tr>
<td>Monitor</td>
<td>Components</td>
<td>2 Nos</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber</td>
<td>J Primary</td>
<td>200 MT</td>
<td>1,020.00</td>
<td>660,441.00</td>
</tr>
<tr>
<td>Main Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TVS MSP 245 132 Col Printer</td>
<td>Dot Matrix Printers</td>
<td>15 Nos</td>
<td>4,725.00</td>
<td>75,800.00</td>
</tr>
<tr>
<td>Assembly Fryer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative Stock (2 Stock Items)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDROM Jackets</td>
<td>Accessories</td>
<td>5 Box</td>
<td>16.00</td>
<td>76.00</td>
</tr>
<tr>
<td>Assembly Fryer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```

Figure 44. Detailed List of Exceptions - Stock Item Wise

Click **Alt+F1:Condensed** to display the default details (report in condensed form).
**F4: Group**- Click **F4: Group** button menu or click **F4** key to select a stock group wise display of all exceptions. The **Name of Group** window in the **Select Item** screen is displayed.

![Figure 45. Name of Group Window](image)

Select **Accessories** under **Name of Group** window and press **Enter** to display all exceptions under this Stock Group

The **Verification of Chart of Accounts** screen for the selected Group is displayed.

![Figure 46. Exceptions for a Selected Group](image)

Click **F4: Group** and select **Primary** to display the default details.

**F5: Item-wise**-Click **F5: Item-wise** button menu or click **F5** key to select an item wise display of all exceptions
The **Verification of Stock Items** screen with ledger wise exceptions is displayed.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Name of Group</th>
<th>Status</th>
<th>Date</th>
<th>Opening Balance</th>
<th>Closing Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1-Apr-2009 to 31-Mar-2009</td>
<td>Quantity</td>
<td>Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1-Apr-2009 to 31-Mar-2009</td>
<td>Quantity</td>
<td>Rate</td>
</tr>
<tr>
<td>Assembled PIV</td>
<td>Computers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CD-ROM Disks 160s</td>
<td>Accessories</td>
<td></td>
<td>8 Box</td>
<td>450.00</td>
<td>2,260.00</td>
</tr>
<tr>
<td>CD-ROM Disks 16s</td>
<td>Accessories</td>
<td></td>
<td>3 Box</td>
<td>77.08</td>
<td>231.25</td>
</tr>
<tr>
<td>CD-ROM Disks 16s Defective Items</td>
<td></td>
<td></td>
<td>5 Box</td>
<td>120.00</td>
<td>600.00</td>
</tr>
<tr>
<td>CD-ROM Jackets</td>
<td>Accessories</td>
<td></td>
<td>5 Box</td>
<td>15.00</td>
<td>75.00</td>
</tr>
<tr>
<td>Dust Covers</td>
<td>Accessories</td>
<td></td>
<td>75 Nos</td>
<td>35.96</td>
<td>2,772.32</td>
</tr>
<tr>
<td>Floppy Drive</td>
<td>Components</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Disk</td>
<td>Components</td>
<td></td>
<td>101 Nos</td>
<td>3,465.15</td>
<td>4,025.00</td>
</tr>
<tr>
<td>HCL Celeron</td>
<td>HCL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCL DVR</td>
<td>HCL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HP - 27</td>
<td>Printer Cartridges</td>
<td></td>
<td>1 Nos</td>
<td>2,000.00</td>
<td>9,200.00</td>
</tr>
<tr>
<td>HP - 28</td>
<td>Printer Cartridges</td>
<td></td>
<td>100 Nos</td>
<td>847.12</td>
<td>847.12</td>
</tr>
<tr>
<td>HP L1845A</td>
<td>Printer Cartridges</td>
<td></td>
<td>2 Nos</td>
<td>1 Nos</td>
<td></td>
</tr>
<tr>
<td>HP Laserjet 1010 Series</td>
<td>Laser Jet Printers</td>
<td></td>
<td>105 Nos</td>
<td>545.05</td>
<td>47,727.27</td>
</tr>
<tr>
<td>IBM Mouse</td>
<td>Accessories</td>
<td></td>
<td>102 Nos</td>
<td>847.12</td>
<td>85,794.39</td>
</tr>
<tr>
<td>IBM DVR</td>
<td>IBM</td>
<td></td>
<td>2 Nos</td>
<td>1 Nos</td>
<td></td>
</tr>
<tr>
<td>KeyBoard</td>
<td>Accessories</td>
<td></td>
<td>105 Nos</td>
<td>545.05</td>
<td>47,727.27</td>
</tr>
<tr>
<td>Low Density Polyethylene</td>
<td>Primary</td>
<td></td>
<td>1 Nos</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Monitor</td>
<td>Components</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother Board</td>
<td>Components</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 47. Item Wise Details of Exceptions**

Click **F5**: **Grouped** to display the default details.

**Ctrl+F9**: **Master Config**—Click **Ctrl + F9**: **Master Config** button menu of click Ctrl and F9 keys together if you want to configure the stock items for the audit using the audit features displayed in the screen below (discussed in earlier Chapter).

Select the required configuration (**MSME, Periodic Payments and Receipts, Related Party and Sampling Methods**)

**F9**: **Inv Reports**—Click **F9**: **Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10**: **Acc Reports**—Click **F10**: **Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10**: **Audit Reports**—Click **Alt+F10**: **Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the earlier Chapter).

**F11**: **Features**—Click **F11**: **Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).
**F12: Configure**- Click **F12: Configure** button menu to set up configuration for the report display.

A common screen is designed for all exceptions under the **Verification of Stock Items** screen for the **F12: Configure** button menu. Choose the required values against the fields in **Configuration** window in the **Configuration** screen (already discussed in this Chapter).
Lesson Objectives

On completion of this lesson, you will be able to know:

- those ledgers whose closing balances in the previous year do not tally with the opening balances in the current year
- the change in the normal behaviour of ledger accounts

Verification of Balances

The audit feature is a review of the ledger accounts in the General Ledger.

1. Select **Verification of Balances** under **Data Analysis** in the **Audit & Analysis** screen and press **Enter**

The **Verification of Balances** screen is displayed.
You will notice in the above image details relating to:

- Account Groups marked in red colour on the left side under Primary- these are mismatches in ledger balances between the last year and the current year.

- Amounts marked in red colour on the right side- these are changes in the default behaviour of ledger accounts (for e.g.- Asset and Expenditure accounts always have debit balances while Liability and Income accounts have credit balances). If any of these ledgers exhibit an opposite behaviour (asset account having a credit balance), then this exception reports them.

The details in the screen are:

On the right top corner, you will find the accounts data of two years are compared, i.e. FY 2009-10 with FY 2008-09 under Audit Period and Previous Year Company respectively.

Verification of Balances – This is the name of the report generated by the audit feature.

Under- These are exceptions displayed under Primary Groups of the accounting data. If you want to display the exceptions for a particular sub group, click F4: Group to select the sub group. This screen will be described later in the Chapter.

Configuration

The details to be displayed in the report can be configured using the button menu, F12: Configure.

The Configuration window in the Configuration screen is displayed.

![Figure 49. Configuration Window in F12: Configuration Screen](image)

**Particulars**- There are two sections under this column, the left side containing names of the accounting groups and on the right side the details of:

- Opening Balance
- Transactions- Debit and Credit amounts
- Closing Balance

The above details are mentioned for the current year under audit.
Menus on the Status Bar

Ctrl + Q: Quit - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

Alt + R: Remove Line - Click Alt + R to remove a line (exception) temporarily in the screen.

Alt + U: Restore Line - To restore the line (exception) in the display, click Alt + U: Restore Line.

Ctrl + U: Restore All - This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines (exceptions), you can restore them by clicking Ctrl + U: Restore All menu.

2. Place the cursor on any Group on the left side marked in red colour (e.g. Loans (Liability)) in the Verification of Balances screen and press Enter

The Verification of Opening Balances screen with the details of Verification of Opening Balances (Exceptions) is displayed. The details are displayed under Loans (Liability).

You will notice the difference value displayed under the Difference column, which has to be reviewed for correction.

- To view the opening and closing balances of all ledgers under the selected Group, click Alt + X: All in the above screen
- To view only the exceptions, click Alt + X: Exceptions

3. Place the cursor on the sub group (e.g. Bank OD A/c) and press Enter
The Verification of Opening Balances screen with the details of Verification of Opening Balances (Exceptions) ledger wise is displayed. The details are displayed under Bank OD A/c.

![Figure 51. Difference between Opening & Closing Balances- Bank OD A/c](image)

4. Select the ledger account (e.g. HDFC OD A/c) and press Enter

The Ledger Vouchers screen with the details of HDFC OD A/c (All Vouchers) is displayed.

![Figure 52. Ledger Vouchers Screen for the Selected Ledger](image)

5. Select any voucher (e.g. Cash) by pressing the Spacebar

The button menus, F9: Audit, Ctrl + F10: Restore Def. and Alt + S: Set Manual Sampling are enabled on the right side panel.
The **F9: Audit** button menu enables you to audit the transaction.

You can also manually sample transactions by clicking **Alt + S: Set Manual Sampling** and also remove the transaction from the sample by clicking the **Alt + D: Delete Manual Sampling**.

6. Click **F9: Audit**

The **Audit Details** window in the **Audit Details** screen is displayed.

![Audit Details Screen](image)

The details under **Audit Status** are:

- **Unknown** - The Auditor is yet to complete the audit and status is unknown
- **Audited** - The Auditor has completed the audit of the transaction
- **Need Clarification** - The Auditor has not decided on the status of the audit and needs additional information from the client before completion
- **Under Observation** - The audit of the transaction is not complete as the auditor needs to consult/check additional evidence/information

The default value under **Audit For** is **Verification of Vouchers**.

7. Select **Audited** under **Audit Status**
8. Type/Enter the remarks under **Audit Note**
9. Accept the entries

![Audit Details window in Audit Details Screen](image)
The **Ledger Vouchers** screen for the selected ledger account after the audit is displayed.

![Ledger Voucher Screen after Audit](image)

You can:
- **Click F8: Show Ledger** to display the transactions of the selected ledger
- **Click Ctrl + F10: Restore Def.** to bring the status of the audited transaction to its original state

You can perform the audit/verification of the entries in the selected ledger account and arrive at the reason for the amount difference and rectify it.

**Behaviour Change in Groups/Ledgers**

The **Verification of Balances** screen after the selection is displayed.

![Verification of Balances](image)

1. Move the cursor to the right side to the amount marked in **red** against the **Direct Expenses** Group and press **Enter**.
The **Verification of Balances** screen under **Direct Expenses** is displayed with ledger transaction details.

![Verification of Balances Screen](image)

Figure 57. Ledger Transactions Details Screen

You will find the closing balance for the ledger account, **Packing Charges** (Expense A/c) is a credit balance.

2. Place the cursor on **Packing Charges** ledger account and press **Ctrl + Enter**

The **Ledger Alteration (Secondary)** screen is displayed.

![Ledger Alteration Screen](image)

Figure 58. Ledger Alteration Screen

3. Move the cursor to the right and select the amount marked in red colour in the **Verification of Balances** screen and press **Enter**

The **Ledger Vouchers** screen for the selected account with details of **All Vouchers** is displayed.

![Ledger Vouchers Screen](image)

Figure 59. Ledger Vouchers Screen
You will notice the following details in the report:

- Vch Type: Sales
- Transaction Value: Rs.3500 Cr

The client was using a common expense ledger account, **Packing Charges**, in sales and purchase transactions. To confirm further, verify the ledger entry for the transaction.

4. Select the voucher by pressing the **Spacebar**
5. Click **F8: Show Ledger** in the **Ledger Vouchers** screen

The **Ledger Vouchers** screen for **Packing Account** with ledger entry details is displayed.

![Figure 60. Ledger Screen for the Selecte Account](image)

6. Click **Ctrl + Enter: Alt Vch** to display the voucher details in the alteration mode

The **Accounting Voucher Alteration (Secondary)** screen is displayed.

![Figure 61. Accounting Voucher Alteration Screen](image)
7. Click **Ctrl + Q** or **Esc** key to return to the Packing Charges (All Vouchers) screen.

8. Select the transaction in **Ledger Vouchers** screen by pressing the **Spacebar**.

The **Ledger Vouchers** screen after the selection of the voucher/transaction is displayed.

![Ledger Vouchers Screen](image)

Figure 62. Ledger Vouchers Screen [Packing Charges (All Vouchers)]- Selection of Voucher for Audit

The **F9: Audit, Ctrl + F10: Restore Def.** and **Alt + S: Set Manual Sampling** button menus are enabled in the right side panel.

9. Click **F9: Audit** and perform the audit of the transaction as described above.

Having found out the reason for the change in behaviour, you may discuss with your client and seek clarifications on the entry.

**Button menus in Verification of Balances feature**

**Alt+F1: Detailed/Condensed**: Click **Alt + F1: Detailed** button menu or click **Alt** and **F1** keys together to display an expanded details of group & ledger balances under all groups in a single report.
The **Verification of Balances** screen expanded to the ledger levels is displayed.

![Image of Detailed List of Balances - Ledger Wise](image.png)

Click **Alt+F1:Condensed** to display the default details (report in condensed form).
**F4: Group**- Click **F4: Group** button menu or click **F4** key to select a group wise display of all exceptions. The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window](image1)

Figure 64. Name of Group Window

Select **Fixed Assets** under **Name of Group** window and press **Enter** to display all exceptions under this Group

The **Verification of Balances** screen for the selected Group is displayed.

![Verification of Balances](image2)

Figure 65. Exceptions for a Selected Group

Click **F4: Group** and select **Primary** to display the default details.

**F5: Led-wise**-Click **F5: Led-wise** button menu or click **F5** key to select a ledger wise display of all exceptions relating to balances
The **Verification of Balances** screen with ledger wise exceptions is displayed.

![Verification of Balances Screen](image)

**Figure 66. Ledger Wise Details of Exceptions**

Click **F5**: **Grouped** to display the default details.

**Ctrl+F9**: **Master Config**-Click **Ctrl + F9**: **Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

The **Master Configuration for** window in the **Statutory Audit Configuration** screen is displayed.

![Master Configuration for Window](image)

**Figure 67. Master Configuration for Window - Ctrl + F9**
Select the required configuration (**MSME, Periodic Payments and Receipts, Related Party** and **Sampling Methods**)

**Alt + X: Exceptions**- Click **Alt + X: Exceptions** button menu to generate exceptions relating to group balances. Click **Alt+ X: All** to display the default report.

![Verification of Balances - Exception Only Screen](image)

**Alt + V: Balance Variance**- Click **Alt + V: Balance Variance** button menu to display the variances in amount and % for all ledgers.

![Ledger Balance Variance Report](image)
You can configure the display of details through **F12: Configure** button menu.

![Configure Screen for Ledger Balance Variance](image)

**Figure 70. F12: Configure Screen for Ledger Balance Variance**

- **F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

- **F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

- **Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

- **F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

- **F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (already discussed in this Chapter).
Lesson Objectives

On completion of this lesson, you will be able to:

- generate comparison reports between more than two entities
- understand how the comparison helps in planning the audit steps
- know how the results impact the business of the Client

Analytical Procedures

The feature compares more than two entities to enable you as an Auditor to study the client’s business performance and also plan to audit the areas that are critical.

1. Select **Analytical Procedures** under **Data Analysis** in the **Audit & Analysis** screen and press **Enter**

The **Analytical Procedures** screen is displayed.

![Analytical Procedures Screen](image-url)

Figure 71. Analytical Procedures Screen
The **Analytical Procedures** window’s fields are:

- **Comparison**: This is the important comparison to be made, e.g. **Group - Group** or **Group - Ledger**.

The drop-down window, **Comparison**, displays values for selection. There are 16 comparison values for selection. Examples:

- **Group-Group** (Sales vs Purchase account)
- **Group-Ledger** (Sales vs 12.5 % Sales )
- **Ledger-Ledger** (4.5% Sales vs 12.5% Sales)

![Comparison Window](figure72)

Figure 72. Comparison Window

2. Select the value from **Comparison** and press **Enter**
Base Group: The major entity against which the other entity is compared. The drop-down list, List of Groups, provides the list of Groups for selection.

![Figure 73. List of Groups Window](image-url)
3. Select the value from **List of Groups** and press **Enter**
   - **Compare with Group**: The other entity that is compared with the major entity.

4. Select the value from **List of Groups** and press **Enter**
   - **Current Period From**: It is the period under audit.

5. Enter the date values for the **From** and **To** fields and press **Enter**
   - **Previous Period From**: It is the period relating to the previous year (the year prior to the current year).

6. Enter the date values for the **From** and **To** fields and press **Enter**
The **Analytical Procedures** screen is displayed for the selections made above.

![Analytical Procedures Screen](image)

The details in the screen are:

On the right top corner, you will find the accounts data of two years are compared, i.e. **FY 2009-10** with **FY 2008-09** under **Audit Period** and **Previous Year Company** respectively.

**Comparison**: The value of **Base Group** compared with that of **Compare with Group**.

You will find the following information on the entity selected from the base group.

- Value for the current year in amount (A) & percentage comparison (A/B*100) with the previous year
- Value for the previous year in amount (B) & base percentage (100%)
- Variance in terms of amount and percentage

**Particulars**: The ledgers that form a part of the entity selected under **Compare with Group** are displayed

**Closing Balance (Current Year)**: The closing balances of the ledgers in the current year are displayed.

**% of A**: The percentage of the ledger balances to the value of the selected base entity for the current year.
**Closing Balance (Previous Year):** The closing balances of the ledgers in the previous year are displayed.

**% of B:** The percentage of the ledger balances to the value of the selected base entity for the previous year.

**Comparison with the third entity**

7. Click **F6: Adv. Compare** button menu in the right panel

The **Comparison List** window is displayed.

![Figure 76. Comparison List Window](image)

8. Select **Ledger** as the value for **Type** from **Compare Type** and press **Enter**

9. Select **Sales @ 4%** from the **List of Ledgers** window and press **Enter**
The **Comparison List** screen after selection of ledger is displayed.

![Comparison List Window](image)

**Figure 77. Compare List Window**

10. Select **End of List** to accept the selection

The **Comparison List** before acceptance is displayed.

![Comparison List Before Acceptance](image)

**Figure 78. Acceptance of Comparison List**

11. Accept and save the selection
The **Analytical Procedures** screen after acceptance is displayed.

![Analytical Procedures Screen](image)

From the above image you can infer the trends/changes in the groups in relation with each other and plan your audit steps accordingly.

**Menus on the Status Bar**

**Ctrl + Q: Quit** - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

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**Figure 79. Comparison of more than Two Entities**

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Button menus in Analytical Procedures feature

**Alt+F1: Detailed/Condensed**: Click Alt + F1: Detailed button menu or click Alt and F1 keys together to display an expanded details of group & ledger balances variances in terms of amount and percentage in a single report.

The **Analytical Procedures** screen expanded to the ledger levels is displayed.

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![Figure 80. Detailed List of Variances - Ledger Wise](image)

Click **Alt+F1:Condensed** to display the default details (report in condensed form).

**F4: Group**- Click F4: Group button menu or click F4 key to select another base group entity and compare group entity for comparison. The **Analytical Procedures** window in the Analytical Procedures screen is displayed.

---

![Figure 81. Analytical Procedures Window](image)

Select **Fixed Assets** against **Base Group** and **Plant & Machinery - 1** against **Compare with Ledger** to display all variances.
The **Analytical Procedures** screen for the selected Group is displayed.

![Figure 82. Analytical Procedures for another Comparison](image)

Click **F4**: **Group** and select **Primary** to display the default details.

**Ctrl+F9**: **Master Config**—Click **Ctrl + F9**: **Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

The **Master Configuration for** window in the **Statutory Audit Configuration** screen is displayed.

![Figure 83. Master Configuration for Window - Ctrl + F9](image)

Select the required configuration (**MSME, Periodic Payments and Receipts, Related Party** and **Sampling Methods**)

**F6**: **Adv. Compare**—Click **F6**: **Adv. Compare** button menu to compare more than 2 entities at a time (discussed in the Chapter).

**F9**: **Inv Reports**—Click **F9**: **Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10**: **Acc Reports**—Click **F10**: **Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).
**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (already discussed in this Chapter).
Lesson Objectives

On completion of this lesson, you will be able to know:

- pending sales and purchase orders
- pending sales and purchase bills
- outstandings relating to receivables and payables

Pending Documents

This feature provides you the details of pending sales & purchase orders, bills and receivables/payables position.

1. Select Pending Documents under Data Analysis in the Audit & Analysis screen and press Enter

The Pending Documents screen is displayed.

Figure 84. Pending Documents Screen
The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10**-(**1st-Apr-2009 to 31-Mar-2010**).

**Particulars** - The details of the pending sales and purchase documents and the receivables/payables are displayed.

**Pending Orders**
- Purchase Orders - The number and value of the Purchase Orders that are pending are displayed
- Sales Orders - The number and value of the Sales Orders that are pending are displayed

**Pending Bills**
- Good Received but Bills not Received - The number and value of the goods received physically but the bills for them are not received/sent by the supplier
- Good Delivered but Bills not Made - The number and value of the goods delivered/sent physically but the sales bills for them are not made and sent to the customers

**Outstandings**
- Receivables - The number and value of outstanding bills that are not paid for by our customers
- Payables - The number and value of outstanding bills that are not paid for by us to our suppliers

**Orders/Tracking/Outstandings**

The number of documents relating to the purchase & sales orders, bills and the outstandings.

**Amount**

The monetary value of the pending documents - sales, purchase & outstandings.

**Menus on the Status Bar**

**Ctrl + Q** : **Quit** - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Pending Orders**

This exception provides you with information on the pending orders relating to Purchase and Sales activities.

1. Select **Purchase Orders** under **Pending Orders** and press **Enter**
The **Pending Orders** screen containing the details of **Pending Purchase Order Summary** is displayed.

![Pending Purchase Order Summary Screen](image)

The details in this screen are:

- **Particulars**: The names of the suppliers on whom the purchase orders are placed and only part of the orders is received.
- **Orders**: The number of POs raised on the suppliers.
- **Opening Value**: The total value of the purchase order(s) raised on the suppliers.
- **Preclosed Value**: The value of the purchase order(s) that was preclosed, i.e., closed before the supply of the items.
- **Received Value**: The value of the goods that were supplied on the purchase order(s).
- **Closing Value**: The value of the balance goods that are pending from the suppliers, i.e., to be supplied by the suppliers.

3. Select a ledger account (**Challenger Systems**) and press **Enter**

The **Pending Purchase Orders** screen is displayed for the selected supplier.

![Pending Purchase Orders Summary Screen](image)

4. Press **Alt+F1** to display the details of the pending purchase order transaction

The **Pending Purchase Orders** screen with expanded details is displayed.

![Detailed Pending PO Summary Screen](image)
5. Select the purchase order transaction (e.g. **Purchase Order 1**) by pressing the **Spacebar**

The **F9:Audit** button menu is enabled in the right side panel.

6. Click **F9:Audit**

7. Perform the audit of the transaction in the **Audit Details** screen.

8. Accept the audit details

The **Pending Purchase Orders** screen after the audit is displayed.

![Pending Purchase Order Summary Screen after Audit](image)

Similarly you can select and audit the transaction relating to the **Receipt Note**. You can also find the details of the items that are due (to be supplied).

You can also know the details of the PO entry for verification and audit.

*Click Ctrl + F10: Restore Def. button menu in the Pending Purchase Orders screen to restore the status of the audited transaction to its default/original value.*

9. Select **Purchase Order 1** and click **Ctrl + Enter**
The **Order Voucher Alteration (Secondary)** screen is displayed.

![PO Voucher Screen](image)

Figure 89. PO Voucher Screen

In the similar manner you can audit the pending sales orders and pending bills.
Outstandings

You can examine the outstandings both in the area of receivables and payables.

1. Select **Receivables** under **Outstandings** and press **Enter**

The **Outstandings** screen with details of **Receivable Summary** is displayed.

![Outstandings Screen](image)

The ledger accounts marked in red indicate advance payments to Sundry Creditors/Suppliers. You can check if the:

- suppliers have provided services or goods for the advances received.
- adjustment entries (journal entries) have been passed to the extent of the value of goods/services accepted

The details in this screen are:

**Particulars** - The names of the receivables ledger accounts are displayed. The ledger accounts in black colour are debtors accounts while the ledgers in red colour are creditors accounts.

**Name of Group** - The names of the Groups under which the ledger accounts are created are displayed.
Enterprise Type: The description of the debtor’s status—whether Micro, Small or Medium Enterprise is displayed - MSME Act.

Pending Amount: The amount receivable from the debtors/creditors.

Pending Bills: The number of bills that total to the pending amount from the debtor/creditor.

OnAccount Vouchers: The value of sales made on account to customers. Move the cursor to the right to view the details of this hidden column.

Menus on the Status Bar

Ctrl + Q: Quit - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

Alt + R: Remove Line - Click Alt + R to remove a line temporarily in the screen.

Alt + U: Restore Line - To restore the line in the display, click Alt + U: Restore Line.

Ctrl + U: Restore All - This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines, you can restore them by clicking Ctrl + U: Restore All menu.

You can filter all exceptions in the screen (Sundry Creditors having a debit balance)

2. Click Alt + X: Exceptions in Outstandings screen

The Outstandings screen with the filtered details (advances to Sundry Creditors) under Receivables Summary is displayed.

![Figure 91. List of Exceptions under Receivables](image)

If you want to display the default report, click Alt + X: All in the Outstandings screen.

You can also age the receivables, for example, list of debtors whose dues are less than 180 days and debtors whose dues are greater than 180 days.

3. Click F6: Age wise button menu on the right side panel in Outstandings screen

The Ageing Analysis window in the Ageing Analysis screen is displayed.

![Ageing Analysis](image)
4. Select the required value (e.g. Ageing by Bill Date) and press Enter

The Company Ageing Alteration window is displayed.

5. Make appropriate entries in days (e.g. 0 - 180 days, 180 days and above) to generate the ageing report

The Outstandings screen with the aged details under Receivables Summary is displayed.

The receivables are aged as defined, under < 180 days and > 180 days. The above report provides the details of Sundry Creditors having debit balances in addition to the Sundry Debtors. You can therefore filter the report to generate information on Sundry Debtors only with the ageing details.

6. Click Alt + F12: Range in the Outstandings screen
The **Range of Information in Report** window in the **Filters** screen is displayed.

![Range of Information in Report](image)

**Figure 94. Range Definition Window**

7. Select the appropriate values to filter the report and press **Enter**

The **Outstandings** screen now displays the ageing details of the Sundry Debtors ledgers only.

![Outstandings of Sundry Debtors Ledgers](image)

**Figure 95. Outstandings of Sundry Debtors Ledgers**

You will find that all ledger accounts are marked in black colour- an indication they form a part of Sundry Debtors Group.
Button menus in Pending Documents feature

**Ctrl+F9: Master Config**- Click Ctrl + F9: Master Config button menu of click Ctrl and F9 keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

The Master Configuration for window in the Statutory Audit Configuration screen is displayed.

![Master Configuration](image)

Select the required configuration (MSME, Periodic Payments and Receipts, Related Party and Sampling Methods)

**F9: Inv Reports**- Click F9: Inv Reports button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports**- Click F10: Acc Reports button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports**- Click Alt+F10: Audit Report button menu to select directly other feature under Audit & Analysis (discussed in the Audit Analysis Chapter).

**F11: Features** - Click F11: Features button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).
Lesson Objectives

On completion of this lesson, you will be able to know:

- the pending status of statutory payments

Statutory Payments

This feature provides you the payment status of statutory dues in terms of amount payable, actual amount paid and the balance payable.

1. Select Statutory Payments under Data Analysis in the Audit & Analysis screen and press Enter

The Statutory Payments screen is displayed.

![Statutory Payments Screen](image)
The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10 (1st-Apr-2009 to 31-Mar-2010)**.

**Particulars** - The details of the statutory payments are displayed.
- Excise Duty
- Service Tax
- Tax Collected at Source
- Tax Deducted at Source
- Value Added Tax
- Provident Fund
- Employee State Insurance
- Professional Tax

**Payable**
- The amount of statutory dues (taxes & payments) that is to be payable by the Client is displayed

**Paid**
- The amount of statutory dues that has been paid by the Client is displayed

**Balance Payable**
- The balance amount of statutory dues payable by the client is displayed

**Menus on the Status Bar**

**Ctrl + Q: Quit** - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Provident Fund**

We discuss the payment status of a statutory payment- **Provident Fund**.

This exception provides you with information on the pending orders relating to Purchase and Sales activities.

2. Select **Provident Fund** in the **Statutory Payments** screen and press **Enter**
The **Payroll Statutory Computation** screen containing the details under **Provident Fund** is displayed.

![Payroll Statutory Computation Screen](image)

Figure 98. Payroll Statutory Computation Screen

The details in this screen are:

- **Particulars** - The details of the components under **Provident Fund** and **Income Tax** are displayed.
  - Provident Fund
    - Employees’ Statutory Deductions - Employees’ contributions to the Fund
    - Employer’s Statutory Contributions - Employer’s contribution to the Fund
    - Employer’s Other Charges - Administrative charges borne/paid by the Employer
  - Income Tax
    - Employees’ Statutory Deductions - Tax deducted from employees’ salaries

- **Payable Amount** - The amount payable against each component of the Fund/Income Tax.
- **Paid Amount** - The amount paid for the component of the Fund/Income Tax.

3. Select a component under **Provident Fund** (e.g. **Employees’ Statutory Deductions**) and press **Enter**

The **Payroll Statutory Ledger Details** screen containing the details of **Pay Head Type: Employees’ Statutory Deductions** is displayed.

![Payroll Statutory Ledger Details Screen](image)

Figure 99. Payroll Statutory Ledger Details Screen

4. Press **Alt+F1** to display the expanded details of the employees’ statutory deductions
The Payroll Statutory Ledger Details screen with expanded details is displayed.

![Table of Payroll Statutory Ledger Details]

You can view the Statutory Details consisting of the contribution % under Percentage and the account number under A/c No.

5. Select the payroll ledger (i.e., Employee’s PF Contribution @ 12%) and press Enter

The Employee Breakup of Pay Head screen is displayed.

![Table of Employee Breakup of Pay Head]

You can select an employee to view and verify the details of payroll entry.

6. Select any employee (e.g. Ajay) and press Enter
The **Employee Vouchers** screen for the selected employee is displayed.

![Employee Vouchers Screen](image)

Figure 102. Employee Vouchers Screen

A similar exercise can be carried out for the other components under Provident Fund.

**Button menus in Statutory Payments feature**

**F2: Period**-Click **F2: Period** button menu or click the function key **F2** to generate the report for a period within the audit period.

**Ctrl+F9: Master Config**-Click **Ctrl + F9: Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.
The **Master Configuration** for window in the **Statutory Audit Configuration** screen is displayed.

![Master Configuration](image)

**Figure 103.** Master Configuration for Window - Ctrl + F9

Select the required configuration (**MSME, Periodic Payments and Receipts, Related Party** and **Sampling Methods**)

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).
Lesson Objectives

On completion of this lesson, you will be able to know the:

- details of fixed assets & depreciation including additions and deletions
- details of fixed assets aged less than and more than 180 days

Fixed Assets Analysis

This feature provides you the information on:

- opening and closing values of fixed assets
- purchases and disposals of assets
- assets aged less than and more than 180 days
- details of accumulated depreciation of fixed assets

1. Select **Fixed Assets Analysis** under **Data Analysis** in the **Audit & Analysis** screen and press **Enter**

The **Fixed Assets Analysis** screen is displayed.

![Fixed Assets Analysis Screen](image)

**Figure 104. Fixed Assets Analysis Screen**
The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10** (1st-Apr-2009 to 31-Mar-2010).

**Particulars**- The details of the fixed assets and accumulated depreciation ledgers are displayed.

**No. of Days (<180 and >180)**-The age of the assets purchased within the period of 180 days and exceeding 180 days which required for income tax computation.

**Opening Balance**: The opening balance of the fixed assets and accumulated depreciation as on 1st Apr of the current year, i.e. 01/04/2009.

**Additions**-The addition to fixed assets during the current year.

**Deletions**-The sale/disposal/scraping of fixed assets during the current year.

**Closing Balance**- The closing balance of the fixed assets and accumulated depreciation as on 31st Mar of the current year, i.e. 31/03/3010.

**Menus on the Status Bar**

**Ctrl + Q**: **Quit**- Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

**Ctrl + Enter**: **All Vch**- Click Ctrl + Enter: All Vch menu to view the transaction in the voucher alteration mode or view a ledger account in the ledger alteration mode.

**Alt + R**: **Remove Line**- Click Alt + R to remove a line (ledger account) temporarily in the screen.

**Alt + U**: **Restore Line**- To restore the line (ledger account) in the display, click Alt + U : Restore Line.

**Ctrl + U**: **Restore All**-This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines (ledger accounts), you can restore them by clicking Ctrl + U: Restore All menu.

2. Select any asset purchase transaction/addition (e.g. Voucher No.42 under Land & Building) and press **Enter**

The button menus, **F9: Audit** and **Ctrl + F10: Restore Def.** are enabled in the right panel.
The **Fixed Assets Analysis** screen is displayed after the selection.

3. Click **F9: Audit** and perform the audit

The **Fixed Assets Analysis** screen after audit is displayed.

![Figure 105. Fixed Assets Analysis- Selection of Transaction for Audit](image)

You can view the audit remarks mentioned against the voucher/transaction.

![Figure 106. Fixed Analysis Screen- with Audit Remarks](image)

You can view the audit remarks mentioned against the voucher/transaction.

*Click Ctrl + F10: Restore Def. button menu in the Fixed Assets Analysis screen to restore the audit remarks to its default/original state.*

4. Click **Ctrl + Enter** to verify the voucher/transaction details
The **Accounting Voucher Alteration (Secondary)** screen is displayed.

![Voucher Alteration Screen](image)

Figure 107. Voucher Alteration Screen

You can verify the entries with respect to other documents like, Purchase Order, land and building title documents, correspondence with the seller, etc.

In a similar manner, you can verify the sale/disposal of fixed assets.

5. Select any asset sale transaction/disposal (e.g. Voucher No.83 under **Furniture & Fixtures**) and press **Enter**

The **Accounting Voucher Alteration (Secondary)** screen is displayed.

![Voucher Alteration Screen](image)

Figure 108. Voucher Alteration Screen

You can verify the entries with respect to other documents like, original bill of the furniture, correspondence with the buyer, approval from the management, etc.

You can also verify the:

- opening balances of the fixed assets and accumulated depreciation by comparing with the previous year’s audited accounts
- accumulated depreciation charged on the fixed assets
Button menus in Fixed Assets Analysis feature

Alt + F1: Detailed/Condensed - The fixed asset analysis is a detailed report by default. Click Alt + F1: Condensed to display the condensed report.

The Fixed Asset Analysis screen in the condensed form is displayed.

Alt + F2: Period - Click Alt + F2: Period button menu or click Alt and the function key F2 together to generate the report for a period within the audit period.

Ctrl + F9: Master Config - Click Ctrl + F9: Master Config button menu of click Ctrl and F9 keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.
The **Master Configuration for** window in the **Statutory Audit Configuration** screen is displayed.

![Master Configuration for Window](image)

**Figure 110. Master Configuration for Window - Ctrl + F9**

Select the required configuration (**MSME, Periodic Payments and Receipts, Related Party** and **Sampling Methods**)

- **F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

- **F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

- **Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

- **F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).
Lesson Objectives

On completion of this lesson, you will be able to know the:

- recurring/periodic payments and receipts during the audit period

The feature provides information on the periodic occurrences of transactions (payments & receipts). You can also check for details of prepaid or provisional amounts which are often overlooked during the audit.

Periodic Payments & Receipts

There are two steps in generating the report:

- first step, configure the ledger accounts to include them in the Periodic Payments and Receipts report
- second step, verify the Periodic Payments and Receipts transactions

The Audit & Analysis screen with the features under Data Analysis is displayed.

![Figure 110. Ctrl + F9: Master Config- Configuring for Periodic Payments & Receipts](image)

1. Select Periodic Payments and Receipts under Data Analysis in the Audit & Analysis screen and press Enter
The **Name of Group** window in the **Select Item** screen is displayed.

![Figure 111. Name of Group Window](image)

2. Select **All Items** and press **Enter**

The **Periodic Ledger Configuration** screen is displayed.

![Figure 112. Periodic Ledger Configuration Screen](image)

Select any ledger for configuration, for example, the **Advertising Expenses**, whose current status is **No** as mentioned under **Is Periodic Ledger?** column.

3. Select the ledger (e.g. **Advertising Expenses**) by pressing the **Spacebar**

The **Ctrl + A: Change** and **Ctrl + F10: Restore Default** button menus are enabled in the right side panel.

4. Click **Ctrl + A: Change**
The Periodic Ledger Configuration screen after configuration is displayed.

![Figure 113. Periodic Ledger Configuration Screen](image)

The value under Is Periodic Ledger? column is now Yes. The ledger account is now included in the report. In a similar manner you can configure other ledger accounts for inclusion in the Periodic Payments and Receipts report.

Click Ctrl + F9: Configure button menu to configure ledger accounts as periodic in nature

Click Ctrl + F10: Restore Default button menu to restore the default/original status of the configured ledger accounts as periodic.

5. Click Periodic Payments and Receipts in Audit & Analysis screen under Data Analysis and press Enter
The **Periodic Payments and Receipts** screen is displayed.

![Figure 114. Periodic Payments & Receipts Screen](image)

The details in the screen are:

On the right top corner, you will find the accounts data of the current year, i.e. **FY 2009-10**.

**Under**: The main group under which the configured ledgers belong.

**Particulars**: The ledgers that are configured through **Master Configuration** as periodic payments and receipts are displayed.

**Total Amount (Current Year)**: The total of the amounts debited/credited (payments/receipts) to the ledger accounts in the current year is displayed.

**Total Vouchers (Current Year)**: The total number of vouchers for the amounts debited/credited (payments/receipts) to the ledger accounts in the current year is displayed.

**Total Amount (Previous Year)**: The total of the amounts debited/credited (payments/receipts) to the ledger accounts in the previous year is displayed.

**Total Vouchers (Previous Year)**: The total number of vouchers for the amounts debited/credited (payments/receipts) to the ledger accounts in the previous year is displayed.
**Variance** - The details of the difference/variability between the values of the current and the previous years. The variance details are presented in terms of **Total Amount, % (percentage)** and **Total Vouchers** respectively.

The negative variance details under **Total Amount** are displayed within parenthesis/brackets.

**Menus on the Status Bar**

**Ctrl + Q: Quit**- Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

6. Select any ledger account (e.g. **Office Rent**) and press **Enter**

The **Periodic Ledger Monthly Summary** screen is displayed.

![Figure 115. Periodic Ledger Monthly Summary Screen](image)

You can examine the trend of the expenditure for the both years and the variance. The variance in amount and the number of vouchers will decide the scope of further audit (ref. expenditures in April 2009, Feb & March 2010).

You can select a month and drill down to the transaction level for audit.

7. Select any month (e.g. **February**) and press **Enter**
The **Ledger Vouchers** screen is displayed.

![Image of Ledger Vouchers Screen]

**Figure 116. Ledger Vouchers Screen**

The button menus, **Alt + F9: Audit, Ctrl + F10: Restore Def.** and **Alt + S: Set Manual Sampling** are enabled.

8. Select any entry and press **Enter** (for audit of a single entry)
9. Make appropriate entries in the **Audit Details** screen
10. Accept the entries

- **Click F4: Ledger** to view the ledger account details
- **Click Alt+F5: Quarterly** to view the payments on quarterly basis
- **Click Alt + F9: Audit** to audit more than one entry
Button menus in Periodic Payments and Receipts feature

**F8: Show Ledger** - Click **F8: Show Ledger** button menu or click the function key **F8** to view the ledger account details of the selected ledger.

**F4: Group** - Click **F4: Group** button menu or click **F4** key to select a group wise display of all periodic payments and receipts. The **Name of Group** window in the **Select Item** screen is displayed.

![Figure 117. Name of Group Window](image)

Select **Administrative Expenses** under **Name of Group** window and press **Enter** to display all exceptions under this Group.

The **Periodic Payments and Receipts** screen for the selected Group is displayed.

![Figure 118. Periodic Payments and Receipts Screen for Selected Group](image)
\textbf{Ctrl+F9: Master Config} - Click \textbf{Ctrl} + \textbf{F9: Master Config} button menu of click \textbf{Ctrl} and \textbf{F9} keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

Select the required configuration (\textbf{MSME, Periodic Payments and Receipts, Related Party} and \textbf{Sampling Methods}). This button menu has been discussed extensively in this Chapter.

\textbf{F9: Inv Reports} - Click \textbf{F9: Inv Reports} button menu to select and generate inventory reports (default Tally.ERP9 feature).

\textbf{F10: Acc Reports} - Click \textbf{F10: Acc Reports} button menu to select and generate accounting reports (default Tally.ERP9 feature).

\textbf{Alt+F10: Audit Reports} - Click \textbf{Alt+F10: Audit Report} button menu to select directly other feature under \textbf{Audit & Analysis} (discussed in the Audit Analysis Chapter).

\textbf{F11: Features} - Click \textbf{F11: Features} button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

\textbf{F12: Configure} - Click \textbf{F12: Configure} button menu to set up configuration for the report display. The \textbf{Configuration} window in the \textbf{Configuration} screen is displayed.

\begin{figure}[h]
  \centering
  \includegraphics[width=\textwidth]{figure119.png}
  \caption{F12: Configuration- Configuration Window}
\end{figure}
Repeated Value Transactions

Lesson Objectives
On completion of this lesson, you will be able to know the:

- number of times an amount has been accounted for a ledger during the audit period

Repeated Value Transactions
The report helps you to identify duplicate entries and review of ledgers for ascertaining discrepancies.

1. Select **Repeated Value Transactions** under **Data Analysis** in the **Audit & Analysis** screen and press **Enter**

The **Repeated Value Transactions** screen is displayed.

Figure 120. Repeated Value Transactions Screen
The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10**-(1st-Apr-2009 to 31-Mar-2010).

**Under**-The main group under which the ledgers containing the repeated values belong.

**Particulars**- The details of the ledger accounts which have amounts repeated/accounted more than once in them are displayed.

The least number of occurrences is therefore 2.

**Amount**-The amounts that have been repeatedly accounted in a ledger more than once.

**Total Vouchers**-The total number of vouchers prepared for the repeated amounts.

**Menus on the Status Bar**

**Ctrl + Q**: Quit- Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

**Configuration**

The display of the details in the screen can be configured using the **F12: Configure**, button menu.

Click **F12: Configure**

![Configuration](image)

2. Select any ledger (e.g. **Transportation & Packaging**) and press **Enter**
The **Ledger Vouchers** screen is displayed with the voucher details.

![Ledger Vouchers Screen](image1)

You can select any voucher transaction for audit.

3. Select any transaction (e.g. **Universal Systems**) by pressing the **Spacebar**

The **Alt + F9: Audit, Ctrl + F10: Restore Def.** and **Alt + S: Set Manual Sampling** button menus are enabled in the right side panel.

4. Click **Alt + F9: Audit**

5. Make appropriate entries in the **Audit Details** screen

6. Accept the entries

You can also view the transaction details recorded in the voucher under audit.

7. Click **Ctrl + Enter: Alt Vch**

The **Accounting Voucher Alteration (Secondary)** screen is displayed.

![Accounting Voucher Alteration Screen](image2)
Button menus in Repeated Value Transactions feature

**F2: Period** - Click **F2: Period** button menu or click the function key **F2** to generate the report for a period within the audit period.

**F4: Group** - Click **F4: Group** button menu or click **F4** key to select a group wise display of all repeated value transactions. The **Name of Group** window in the **Select Item** screen is displayed.

![Figure 124. Name of Group Window](image)

Select **Administrative Expenses** under **Name of Group** window and press **Enter** to display all exceptions under this Group.

The **Repeated Value Transactions** screen for the selected Group is displayed.

![Figure 125. Repeated Value Transactions Screen for Selected Group](image)

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (already discussed in this Chapter).
Relative Size Factor

Lesson Objectives

On completion of this lesson, you will be able to:

- ascertain the RSF of a ledger
- use the RSF to find out errors/discrepancies in the data

Relative Size Factor

The RSF is defined as a ratio of the highest to the next highest amounts debited to a ledger.

1. Select Relative Size Factor under Data Analysis in the Audit & Analysis screen and press Enter

The Relative Size Factor screen is displayed.

![Relative Size Factor Screen](image126.png)

Figure 126. Relative Size Factor Screen
The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10** (1st Apr 2009 to 31 Mar 2010).

**Under**- The main group under which the ledgers for whom the Relative Size Factor (RSF) has been calculated.

**Particulars**- The details of the ledger accounts for whom the RSF has been calculated.

**Relative Size Factor (RSF)**- The ratio of the highest to the next highest amounts debited to a ledger.

**Menus on the Status Bar**

**Ctrl + Q: Quit**- Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

**Configuration**

The display of the details in the screen can be configured using the **F12: Configure**, button menu.

Click **F12: Configure**

2. Select any ledger (e.g. **Electricity Charges**) and press **Enter**

The **RSF - Ledger Vouchers** screen is displayed with the voucher details.

Figure 127. F12:Configure Window

You can select any voucher transaction for audit.

3. Select any transaction (e.g. **Canara Bank-Vch 302**) by pressing the **Spacebar**

Figure 128. Ledger Vouchers Screen
The F9: **Audit, Ctrl + F10: Restore Def.** and Alt + S: **Set Manual Sampling** button menus are enabled in the right side panel.

4. Click **F9: Audit**

5. Make appropriate entries in the **Audit Details** screen

6. Accept the entries

You can also view the transaction details recorded in the voucher under audit.

7. Click **Ctrl + Enter: Alt Vch**

The **Accounting Voucher Alteration (Secondary)** screen is displayed.

![Figure 129. Accounting Voucher Alteration Screen](image)

Click **Ctrl + F10: Restore Def.** to restore the status of audited voucher to its default/original status.
Button menus in Relative Size Factor feature

**F2: Period** - Click **F2: Period** button menu or click the function key **F2** to generate the report for a period within the audit period.

**F4: Group** - Click **F4: Group** button menu or click **F4** key to select a group wise display of all repeated value transactions. The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window](image)

Select **Administrative Expenses** under **Name of Group** window and press **Enter** to display all exceptions under this Group.

The **Relative Size Factor** screen for the selected Group is displayed.

![Relative Size Factor Screen for Selected Group](image)

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).
**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (already discussed in this Chapter).
Lesson Objectives

On completion of this lesson, you will be able to know:

- the different methods of sampling
- how to sample vouchers and audit the vouchers

Verification of Vouchers

The first feature under Auditing is the Verification of Vouchers.

Verification of vouchers is a process by which you check the correctness of the contents entered in a voucher, the supporting documentation, whether it was properly authorised and finally posted to the correct ledgers.

You cannot verify all vouchers prepared by your client for want of time, manpower and the reliance upon the internal control mechanism. Therefore you have to use sampling as a tool to verify transactions. A sample is a manageable set of transactions drawn from a large population for you to verify and based on the results derived from it, arrive at an audit decision.

This audit feature provides you with a set of sampling methods to make the audit process easy, save time and enable your to draw audit conclusion with minimum or no errors.

1. Select Verification of Vouchers under Auditing in the Audit & Analysis screen and press Enter
The **Verification of Vouchers** screen is displayed.

The details in the screen are:

On the right top corner, you will find the period details relating to the current year, i.e. **FY 2009-10 (1st-Apr-2009 to 31-Mar-2010)**.

**Under** - The main Group/All Items under which the groups/ledgers belong.

**Particulars** - The details of the groups/ledger accounts available for selection, sampling and finally their vouchers for verification.

**Sampling Method** - The method used for sampling the vouchers for verification.

**Total Group Vouchers** - The total number of vouchers prepared for ledgers under a Group.

**Audited Group Vouchers** - The total number of vouchers of the group that are audited.

**Sampled Vouchers** - The number of vouchers selected in a sample.

**Menus on the Status Bar**

**Ctrl + Q: Quit** - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.
Ctrl + A: Accept - Click Ctrl + A to save the results of the verification process. The command is useful when the verifications are completed/made at the detailed level.

Alt + R: Remove Line - Click Alt + R to remove a line (exception) temporarily in the screen.

Alt + U: Restore Line - To restore the line (exception) in the display, click Alt + U: Restore Line.

Ctrl + U: Restore All - This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines (exceptions), you can restore them by clicking Ctrl + U: Restore All menu.

Space: Select - Select a ledger by pressing the Spacebar or Space: Select in the detailed mode (Alt+F1:Detailed) for verification of the exception. To deselect the ledger, select it and press the Spacebar or Space: Select again.

Configuration

The details to displayed in the report can be defined by using the F12: Configuration button menu and making the appropriate definitions:

Click F12: Configure in the Verification of Vouchers screen to display all details.

The Configuration window in the Configuration screen is displayed.

![Configuration Window in F12: Configuration Screen](image)

2. Select any Group (e.g. Current Liabilities) by pressing the Spacebar
The **Alt + S: Sampling Config** button menu is enabled on the right side panel.

3. Click **Alt + S: Sampling Config**

The **Sampling Methods** window in the **Sampling Details** screen is displayed.

![Sampling Methods Window](image)

**Figure 135. Sampling Methods Window**

The sampling methods available are:

- All vouchers
- Amount Range
- Benford Analysis
- Even Numbered Vouchers
- Odd Numbered Vouchers
- Specific Period
- Specific Vouchers

Sampling of vouchers is possible at the Group or the Ledger levels.
All Vouchers- If you select this option, then all vouchers are selected by default for verification.

Amount Range- You can provide a minimum and maximum amount range and also define if they should be Debit/Credit or Both.

The Sampling Method Amount Range window is displayed.

![Sampling Method Amount Range](image)

**Note:** This Sampling Method will give all the vouchers of applicable Ledger/Group having Ledger value between Minimum and Maximum Amount as Debit/Credit/Both as specified in the method.

Type/Select the values as displayed above.

Press Enter to return to the Verification of Vouchers screen.

Click Ctrl + A: Accept to save the sampling definitions

The Verification of Vouchers screen after sampling is displayed.

![Verification of Vouchers](image)
Click **F7: Show Sampled** in the **Verification of Vouchers** screen to view the sampled Group and Ledger account.

**Benford Analysis** - Frank Benford, a physicist at GE Laboratories came up with a new probability theory on the frequency of occurrences of numbers 0 to 9 in the different places of a number. For example the frequency of 1 in the first place is 30.1% , 2 is 17.6% and so on. You can use Benford’s Law or Analysis to detect fraud, missing invoices or cheque numbers, detect duplicate payments, etc.

The **Sampling Method Amount Range** window is displayed.

![Sampling Method: Benford Analysis](image)

*Note: This Sampling Method will give all those vouchers of applicable Ledger/Group having Highest Positive/Negative variation as per Benford’s method for 1st digit of the Transaction value.*

Select the values as displayed above.

Press **Enter** to return to the **Verification of Vouchers** screen.

Click **Ctrl + A**: Accept to save the sampling definitions

The **Verification of Vouchers** screen after sampling is displayed.

**Even Numbered Vouchers** - You can sample even numbered vouchers for auditing.
The **Sampling Method Amount Range** window is displayed.

![Sampling Method: Even Numbered Vouchers](image)

Type the value as displayed above.

Press **Enter** to return to the **Verification of Vouchers** screen.

Click **Ctrl + A**: Accept to save the sampling definitions

The **Verification of Vouchers** screen after sampling is displayed.

![Verification of Vouchers](image)

**Odd Numbered Vouchers** - You can also sample transactions by odd numbers of vouchers.

![Sampling Method: Odd Numbered Vouchers](image)

Type the value as displayed above.

Press **Enter** to return to the **Verification of Vouchers** screen.

Click **Ctrl + A**: Accept to save the sampling definitions
The **Verification of Vouchers** screen after sampling is displayed.

![Image of Verification of Vouchers screen]

**Specific Period** - Specify the dates for the period you want to audit.

![Image of Specific Period sampling]

Type the values as displayed above.

Press **Enter** to return to the **Verification of Vouchers** screen.

Click **Ctrl + A**: Accept to save the sampling definitions

The **Verification of Vouchers** screen after sampling is displayed.
Specific Voucher - Select the desired voucher after/from a particular voucher number.

![Sampling Method: Specific Vouchers](image)

Note: This Sampling Method will consider Every specified voucher of applicable ledger/GROUP from Beginning and will show only those vouchers After Voucher Number as specified in the method across any Voucher Type.

Figure 147. Specific Vouchers Sampling

Type the values as displayed above.

Press **Enter** to return to the Verification of Vouchers screen.

Click **Ctrl + A**: Accept to save the sampling definitions

The Verification of Vouchers screen after sampling is displayed.

![Verification of Vouchers](image)

Figure 148. Specific Vouchers Sampled

Voucher verification

You can sample vouchers under the Group, **Current Liabilities** and then drill down to the voucher level for an audit. As mentioned above, choose the **Amount Range** method of auditing at the Group level. There are 42 vouchers sampled under this method (refer **Fig 164**).

The Verification of Vouchers screen is displayed after the sampling.

![Verification of Vouchers](image)

Figure 149. Verification of Vouchers- Amount Range Sampling

4. Move the cursor to the **Sampled Vouchers** column and press **Enter** in the Verification of Vouchers screen
The **Verification of Sampling Vouchers** screen for **Current Liabilities** is displayed.

![Verification of Sampling Vouchers - Current Liabilities Group](image)

**Figure 150. Verification of Sampling Vouchers Screen - Current Liabilities Group**

5. Move the cursor under **Sampled Vouchers** against **Duties & Taxes** in the **Verification of Sampling Vouchers** screen and press **Enter**

The **Verification of Sampling Vouchers** screen under **Duties & Taxes** is displayed.

![Verification of Sampling Vouchers - Duties & Taxes](image)

**Figure 151. Bank OD A/c Screen**

6. Move the cursor under **Sampled Vouchers** against **VAT** and press **Enter**

The **Verification of Sampling Vouchers** screen for the Group, **VAT** is displayed.

![Verification of Sampling Vouchers - VAT Group](image)

**Figure 152. Verification of Vouchers Screen - VAT Group**

7. Move the cursor under **Sampled Vouchers** against any ledger account, (e.g. **Input VAT @12.5%**) and press **Enter**
The Verification of Vouchers-Ledger Vouchers screen for the ledger account Input VAT @12.5% is displayed.

![Figure 153. Input VAT @ 12.5% -All Vouchers Screen](image)

The button menus, **F9: Audit**, **Ctrl + F10: Restore Def.** and **Alt + S: Set Manual Sampling** are enabled in the right panel.

8. Click **F9: Audit**
9. Perform the audit steps in the **Audit Details** screen
10. Accept the entries in the **Audit Details** screen

In a similar manner, you can audit the other entries.

The Verification of Sampling Vouchers (VAT Group) screen after audit is displayed.

![Figure 154. Verification of Sampling Vouchers Screen after Audit](image)

You will notice the value under **Audited Group Vouchers** has increased to 2 from 1 after the audit.

The Auditing Dashboard in the Audit & Analysis provides the details of the vouchers sampled in% as well as number terms.

The Auditing Dashboard is displayed.

![Figure 155. Auditing Dashboard Window](image)
You will notice that the sampled vouchers constitute 4% of the population. In terms of audited vouchers a total of 4 vouchers are audited out of 40 sampled representing 10%.

- Click **Alt + S: Set Manual Sampling** to manually select a voucher for audit
- Click **Alt + D: Delete Manual Sampling** to restore the value of a sampled voucher to its default/original status
- Click **Ctrl + F10: Restore Def.** to restore the status of the audited voucher to its default/original value

**Button menus in Verification of Vouchers feature**

**Alt+F1: Detailed/Condensed**: Click **Alt + F1: Detailed** button menu or click **Alt** and **F1** keys together to display an expanded details of ledgers and voucher details under all groups in a single report.

The **Verification of Vouchers** report in a detailed form is displayed.

![Figure 156. Condensed Report- Alt + F1](image)

Click **Alt+F1:Condensed** to display the report in a condensed format (default report).
**F4: Group** - Click **F4: Group** button menu or click **F4** key to select a group and display sub groups with voucher details under it. The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window]

Select **Current Assets** under **Name of Group** window and press **Enter** to display the sub groups with voucher details under the Primary Group.

The **Verification of Vouchers** screen for the selected Group is displayed.

![Exceptions for a Selected Group]

Click **F4: Group** and select **All Items** to display the default details.

**F5: Led-wise** - Click **F5: Led-wise** button menu or click **F5** key to select a ledger wise voucher details display.
The **Verification of Verifications** screen with ledger voucher details is displayed.

Click **F5: Grouped** to display the default details.

**F7: Show Sampled**- Click **F7: Show Sampled** or click the function key **F7** to display the details of the vouchers which are sampled (already discussed in this Chapter).

**Ctrl+F9: Master Config**-Click **Ctrl + F9: Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

The **Master Configuration for** window in the **Statutory Audit Configuration** screen is displayed.
Select the required configuration (Sampling Methods).

The Verification of Vouchers screen after selecting Samplings Methods is displayed.

Figure 161. Verification of Vouchers Screen-Sampling Methods

Ctrl +V: VchType Audit-Click Ctrl +V: VchType Audit button menu or click Ctrl and V keys together to display the voucher details by each type.
The **Verification of Vouchers** screen with voucher type details is displayed.

![Voucher Type Details Screen](image)

**Figure 162. Voucher Type Details Screen**

Click **Ctrl + V: Voucher Audit** to display the default report.

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**Alt + F12: Range** - Click **Alt + F12: Range** button menu or click **Alt** and **F12** keys together to define a range of values to search specific vouchers to generate a report (default Tally.ERP9 feature).

**Ctrl + F12: Value** - Click **Ctrl + F12: Value** button menu or click **Ctrl** and **F12** keys together to search specific vouchers based on user defined criteria (default Tally.ERP9 feature).
Related Party Transactions

Lesson Objectives

On completion of this lesson, you will be able to:

- configure ledger accounts as related parties in consultation with the Client
- verify the transactions between the client and related parties

The feature provides information on the transactions between the client and the parties who are classified as related. The client has interest in the management of the parties' businesses, e.g. transactions with sister concerns or transactions with another business managed by the client or transactions with business managed by client’s relatives, etc.

Related Party Transactions

There are two steps in generating the report:

- first step, configure the ledger accounts to include them in the Related Party Transactions report
- second step, verify and audit the transactions with the related parties by the client
The **Audit & Analysis** screen with the features under **Data Analysis** is displayed.

![Audit & Analysis Screen - Related Party Transactions Feature](image)

**Figure 163. Audit & Analysis Screen - Related Party Transactions Feature**

1. Select **Related Party Transactions** under **Auditing** section in the Audit & Analysis screen and press **Enter**

The Name of Group window in the Select Item screen is displayed.

![Name of Group Window](image)

**Figure 164. Name of Group Window**

2. Select **All Items** and press **Enter**
The **Related Party Configuration** screen before configuration is displayed.

![Related Party Configuration Screen](image1)

The ledger accounts that are to be defined as related parties are configured in this screen. Select any ledger for configuration, for example, the **ABC & Co.**, whose current status is **No** as mentioned under **Is Related Party?** column.

3. Select the ledger (e.g. **ABC & Co.**) by pressing the **Spacebar**

The **F9: Update** button menu is enabled in the right side panel.

The **Related Party Configuration** screen on selection of a ledger is displayed.

![Selection of a Ledger for Configuration](image2)

4. Click **F9: Update**

The **Related Party Details** window in the **Audit Details** screen is displayed.

![Related Party Details Window](image3)

5. Select **Yes** for **Is Related Party**

6. Type appropriate remark (e.g. **Sister Concern**) against **Relation Type**

7. Accept the selection/entry
In the similar manner, configure other ledger accounts as related party.

The **Related Party Configuration** screen after configuration is displayed.

You can also configure a party/ledger as related by two methods.

1. Click **Ctrl + F9: Master Config** and select **Related Party** option to configure.

2. Configure through the **Ledger Creation** option.
   - Click **F12: Configuration** in the **Ledger Creation** screen
   - Set the value **Yes** to the **Use Other Information for Ledger Accounts**
   - Set **Yes** to **Is Related Party** under **Other Information** in the **Ledger Creation** screen
   - Type the required value against **Relationship** and accept the screen

After configuration return to the **Audit & Analysis** screen after the Configuration

8. Select **Related Party Transactions** again under **Auditing** section and press **Enter**
The **Related Party Transactions** screen is displayed.

![Related Party Transactions Screen](image)

**Figure 169. Related Party Transactions Screen**

The details in the screen are:

On the right top corner, you will find the accounting period mentioned as the current year, **FY 2009-10**.

**Under**: The main Group/All Items under which the groups/ledgers belong.

**Particulars**: The ledgers that are configured through **Master Configuration** as related parties are displayed.

**Name of Group**: The Group name to which the ledgers classified as related parties belong are displayed.

**Relation Type**: The business/working relation that the client’s business has with the related parties is displayed.

**Total Vouchers**: The total number of the vouchers/transactions the client had with the related party is displayed.

**Audited Vouchers**: The total number of the vouchers/transactions relating to the ledger that are audited is displayed.

**Closing Balance**: The closing balance of the ledger classified as related party is displayed.
Menus on the Status Bar

**Ctrl + Q: Quit**- Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

**Alt + R: Remove Line**- Click Alt + R to remove a line temporarily in the screen.

**Alt + U: Restore Line**- To restore the line in the display, click Alt + U: Restore Line.

**Ctrl + U: Restore All**- This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines, you can restore them by clicking Ctrl + U: Restore All menu.

**Configuration**

The details in the screen can be configured based on the definitions made in the F12: Configure button menu. Click F12: Configure in the Related Party Transactions screen. The Configuration window in the Configuration screen is displayed.

![Configuration Window](image)

Figure 170. Configuration Window

9. Select any ledger account (e.g. ABC & Co) and press **Enter**

The Related Party Transactions - Ledger Vouchers screen is displayed.

10. Select any transaction (e.g. Purchase) by pressing the **Spacebar**

The F9: Audit and Ctrl + F10: Restore Def. button menus are enabled in the right panel.

11. Click F9: Audit

12. Make appropriate entries in the Audit Details screen

13. Accept the entries
The **Related Party Transactions - Ledger Vouchers** screen after the audit is displayed.

![Related Party Transactions - Ledger Vouchers after Audit](Figure 172)

Return to the **Audit & Analysis** screen.

The **Auditing** Dashboard in the **Audit & Analysis** screen after the verification is displayed.

![Auditing Dashboard after Verification](Figure 173)

You will notice that the value **1** is displayed under **Under Observation**. You can verify other transactions in similar manner.
Button menus in Related Party Transactions feature

**F4: Group**- Click **F4: Group** button menu or click **F4** key to select a group wise display of all related party ledgers. The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window](image)

Select **Sundry Creditors** under **Name of Group** window and press **Enter** to display all exceptions under this Group.

The **Related Party Transactions** screen for the selected Group is displayed.

![Related Party Transactions Screen](image)

**Ctrl+F9: Master Config**- Click **Ctrl** + **F9: Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below (Discussed in this Chapter).
Select the required configuration (Related Party). This button menu has been discussed extensively in this Chapter.

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under Audit & Analysis (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (Discussed in this Chapter).

**Alt + F12: Range** - Click **Alt + F12: Range** button menu or click Alt and **F12** keys together to define a range of values to search for specific ledgers to generate a report (default Tally.ERP9 feature).

**Ctrl + F12: Value** - Click **Ctrl + F12: Value** button menu or click Ctrl and **F12** keys together to search for specific ledgers based on user defined criteria (default Tally.ERP9 feature).
Forex Transactions

Lesson Objectives

On completion of this lesson, you will be able to:

- verify and audit the forex transactions of the client
- check if correct the rates of exchange were used in the transaction

Forex Transactions

The feature can be used only your client has enabled the multi-currency option under Accounting Features (F1) in F11: Features button menu in the default Tally.ERP 9 product.

The steps that your client should adopt to use the multi-currency option is described below.

Click F11: Features.

The Accounting Features screen is displayed.

![Accounting Features (F1) under F11: Features Screen](image)

Set **Yes** to Allow Multi-Currency.

Accept the selection.
Account the foreign exchange related transactions.

The audit of forex related transactions is described here.

1. Select **Forex Transactions** under **Auditing** section in the **Audit & Analysis** screen and press **Enter**

The **Forex Transactions** screen is displayed.

![Forex Transactions Screen](image)

Figure 177. Forex Transactions Screen

The details in the screen are:

On the right top corner, you will find the accounting period mentioned as the current year, **FY 2009-10.**

**Under:** All Items of different voucher types used in forex transactions are considered in the report.

**Particulars:** The details of transaction types used in the forex transactions are displayed

**Type of Voucher:** The details of the voucher type used in the forex transactions are displayed.

**Total Vouchers:** The total number of vouchers accounted relating to the voucher type is displayed.
**Forex Vouchers** - The total number of the vouchers relating to forex transactions is displayed.

**Audited Vouchers** - The total number of the vouchers relating to forex transactions that are audited is displayed.

**Menus on the Status Bar**

**Ctrl + Q**: Quit - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

**Alt + R**: Remove Line - Click Alt + R to remove a line temporarily in the screen.

**Alt + U**: Restore Line - To restore the line in the display, click Alt + U: Restore Line.

**Ctrl + U**: Restore All - This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines, you can restore them by clicking Ctrl + U: Restore All menu.

**Space: Select** - Click Space (Spacebar) to select a transaction type/line for further action.

2. Move the cursor to the value under **Forex Transactions** and press **Enter** for a transaction type (e.g. Receipt)

The Forex Vouchers screen is displayed.

![Figure 178. Forex Vouchers Screen](image)

3. Select any transaction (e.g. Purchase) by pressing the **Spacebar**

The **F9**: Audit and **Ctrl + F10**: Restore Def. button menus are enabled in the right panel.

The Forex Vouchers screen after selection of a voucher for audit is displayed.

![Figure 179. Forex Vouchers Screen- Selection of Voucher for Audit](image)
4. Click **F9: Audit**

5. Make appropriate entries in the **Audit Details** screen

6. Accept the entries

7. Click **Ctrl + A** to accept the audit remarks in **Forex Transactions** screen

The **Forex Transactions** screen after the audit is displayed.

![Figure 180. Forex Transactions- after Audit](image)

The **Auditing Dashboard** in the **Audit & Analysis** screen after the verification is displayed.

![Figure 181. Auditing Dashboard after Verification](image)

You will notice that the value **1** is displayed under **Need Clarification**. You can verify other transactions in similar manner. The main objective is to check the Forex rate used in the transaction with the official rate provided by RBI.
Button menus in Forex Transactions feature

**F4: Chg Vch**- Click **F4: Chg Vch** button menu or click **F4** key to select a required voucher type containing the forex transactions. The **Voucher Type** window in the **Change Voucher Type** screen is displayed.

![Voucher Type Window](image)

Figure 182. Name of Group Window

Select **Sales** under **Voucher Types** window and press **Enter** to display the forex transactions under this voucher type.

The **Forex Transactions** screen for the selected voucher type is displayed.

![Forex Transactions Screen](image)

Figure 183. Forex Transactions Screen for Selected Voucher Type

**F9: Inv Reports**- Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports**- Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports**- Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**Alt + F12: Range**- Click **Alt + F12: Range** button menu or click **Alt** and **F12** keys together to define a range of values to search for specific voucher types to generate a report (default Tally.ERP9 feature).

**Ctrl + F12: Value**-Click **Ctrl + F12: Value** button menu or click **Ctrl** and **F12** keys together to search for specific voucher types based on user defined criteria (default Tally.ERP9 feature).
Micro, Small & Medium Enterprise Transactions

Lesson Objectives

On completion of this lesson, you will be able to:

- configure ledger accounts as Micro, Small or Medium Enterprises
- verify the transactions between the client and MSME parties
- find if payments to them are made as per the provisions of the MSME Act

The feature provides information on the transactions between the client and the parties who are classified as micro, small or medium enterprises. According to the MSME Act, the client has to make payments to such parties within 45 days of accepting the goods/services. If there is a delay in making the payment, an interest at 3 times the bank rate had to be paid to the concerned parties. The penal interest paid cannot be taken as a business deduction under the Income Tax Act.

Micro, Small & Medium Enterprise (MSME) Transactions

There are two steps in generating the report:

- first step, configure the ledger accounts as micro, small & medium enterprise in consultation with the client
- second step, verify and audit the transactions with the MSME parties by the client
The **Audit & Analysis** screen with the features under **Data Analysis** is displayed.

![Audit & Analysis Screen](image)

**Figure 184. Ctrl + F9: Master Config- Configuring for MSME Party**

1. Select **MSME Transactions** under **Auditing** section in the **Audit & Analysis** screen and press **Enter**
The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window](image)

**Figure 185. Name of Group Window**

2. Select **All Items** and press **Enter**

The **Micro, Small and Medium Enterprise Configuration** screen is displayed.

![MSME Configuration Screen](image)

**Figure 186. MSME Configuration Screen**

Select any ledger for configuration, for example, the **ABC & Co.**, whose current status is blank under **Enterprise Type** & **Registration No** columns.

3. Select the ledger (**ABC & Co.)** by pressing the **Spacebar**

The following button menus are enabled in the right panel:

- Ctrl + F10: Restore Default
- Alt + I: Micro
- Alt + S: Small
- Alt + D: Medium
- Alt + B: Blank

4. Click **Alt + D**: **Medium** against **ABC & Co.**
The value, Medium, appears under Enterprise Type. The value under Registration No is taken from the Ledger Creation screen entry.

You can configure other ledger accounts in the similar manner. Return to the Audit & Analysis screen after the Configuration.

You can also configure a party as SMSE through the Ledger Creation screen.

Click **F12: Configuration in the Ledger Creation screen**

Set the value Yes to Use Other Information for Ledger Accounts

Select Micro/Small/Medium for Enterprise Type under Other Information in the Ledger Creation screen

Type the required value against Registration No. and accept the screen.

5. Click **Micro, Small & Medium Enterprise (MSME) Transactions** under Auditing in the Audit & Analysis screen and press Enter

The MSME Transactions Summary screen after configuration is displayed.

![Figure 187. MSME Transactions Summary Screen](image)

The details in the screen are:

On the right top corner, you will find the accounting period mentioned as the current year, **FY 2009-10**.
Under: The ledgers under all groups (All Items) are displayed.

Particulars - The ledgers that are configured through Master Configuration as MSME accounts are displayed.

Enterprise Type - The type to which the supplier/service provider is classified as either Micro, Small or Medium (MSM) is displayed.

Name of Group - The Group under which the ledger accounts classified as Micro, Small, Medium Enterprises belong, is displayed.

Closing Balance - The closing balance of the ledger account as on the end of the accounting period.

Total Vouchers - The total number of the vouchers/transactions the client had with the MSME is displayed.

Audited Vouchers - The total number of the vouchers/transactions relating to the MSME ledger that are audited is displayed.

Menus on the Status Bar

Ctrl + Q: Quit - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

Alt + R: Remove Line - Click Alt + R to remove a line temporarily in the screen.

Alt + U: Restore Line - To restore the line in the display, click Alt + U: Restore Line.

Ctrl + U: Restore All - This menu is enabled after clicking Alt + R: Remove Line menu. If you remove all lines, you can restore them by clicking Ctrl + U: Restore All menu.

Space: Select - Click Space (Spacebar) to select a ledger account/line for further action.

Configuration - The details in the screen can be configured based on the definitions made in the F12: Configure button menu. Click F12: Configure in the MSME Transaction Summary screen. The Configuration window in the Configuration screen is displayed.

6. Select any ledger account (e.g. Infinite Infosolutions) and press Enter
The **Micro, Small & Medium Enterprises - Ledger Vouchers** screen is displayed.

![Image](image1.png)

**Figure 189. Related Party Transactions - Ledger Voucher Screen**

7. Select any transaction (e.g. **Payment**) by pressing the **Spacebar**

The **F9: Audit** and **Ctrl + F10: Restore Def.** button menus are enabled in the right panel.

8. Click **F9: Audit**

9. Make appropriate entries in the **Audit Details** screen

10. Accept the entries

11. Click **Ctrl + A** to accept the audit remarks in **Micro, Small & Medium Enterprises - Ledger Vouchers** screen

The **Micro, Small & Medium Enterprises - Ledger Vouchers** screen after the audit is displayed.

![Image](image2.png)

**Figure 190. MSME Transactions- Ledger Vouchers after Audit**

From the above image, you can find that the opening balance in the ledger account is overdue by 89 days and the payment was made after 119 days. In a similar manner you can verify the ledger accounts of other MSME parties and arrive at the overdue days.
The **Auditing** Dashboard in the **Audit & Analysis** screen after the verification is displayed.

![Auditing Dashboard](image)

You will notice that the value **1** is displayed under **Audited**.

You can configure a ledger account as MSME through two other methods.

- **Click Ctrl + F9: Master Config** to configure the ledger accounts
- **Through Ledger Creation screen after enabling Use Other Information for Ledger Accounts in F12:Configure**

**Button menus in Micro, Small & Medium Enterprises feature**

**F4: Group**- Click **F4: Group** button menu or click **F4** key to select a group wise display of all MSME party ledgers. The **Name of Group** window in the **Select Item** screen is displayed.

![Name of Group Window](image)

Select **Sundry Creditors** under **Name of Group** window and press **Enter** to display all MSME party ledgers under this Group
The **MSME Transactions Summary** screen for the selected Group is displayed.

![MSME Transactions Summary Screen](image)

**F6: Age wise**: Click **F6: Age wise** button menu or click **F6** function key to display the ageing of the closing balances of MSME ledger accounts. The ageing report can be generated by Due Date or Bill Date. The **MSME Transactions Summary** screen with the ageing details is displayed.

![Ageing of Closing Balances of MSME Accounts](image)

**Ctrl+F9: Master Config**-Click **Ctrl + F9: Master Config** button menu of click **Ctrl** and **F9** keys together if you want to configure the ledger accounts for the audit using the audit features displayed in the screen below.

The **Master Configuration** for window is displayed for selecting **Micro, Small & Medium Enterprises**.

![Master Configuration Window](image)
**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (Discussed in this Chapter).

**Alt + F12: Range** - Click **Alt + F12: Range** button menu or click **Alt** and **F12** keys together to define a range of values to search for specific MSME ledgers to generate a report (default Tally.ERP9 feature).

**Ctrl + F12: Value** - Click **Ctrl + F12: Value** button menu or click **Ctrl** and **F12** keys together to search for specific MSME ledgers based on user defined criteria (default Tally.ERP9 feature).
Salary / Wages Payments

Lesson Objectives

On completion of this lesson, you will be able to:

- verify the head count and the salary details

The feature provides information on the head count and salary/wages details for verification.

Salary / Wages Payments

To verify the salary and head count details using the feature, it is essential that your client has activated the Payroll feature in the default product, Tally.ERP 9 to account the payroll transactions.

The steps that your client should adopt to use the payroll option is described below.

Click **F11: Features**.

The **Accounting Features** screen is displayed.

![Figure 196. F11: Features- Payroll option in Accounting Features](image)

Set **Yes** to **Maintain Payroll**.

Accept the selection.
Account the payroll related transactions.

The audit of payroll related transactions is described here.

1. Select **Salary/Wages Payments** under **Auditing** in the **Audit & Analysis** screen and press **Enter**

The **Salary / Wages Summary** screen is displayed.

![Salary/Wages Summary Screen](image)

The details in the screen are:

On the right top corner, you will find the accounting period mentioned as the current year, **FY 2009-10**.

**Particulars** - The details of Head Count and Earnings, Deductions and Payments for the months in the current year are displayed.

**Head Count** - The following details of employee count are displayed:

- Opening Balance
- Newly Joined
- Resigned/Retired
- Closing Balance
**Earnings** - The gross earnings are displayed month wise for the current year.

**Deductions** - The total deductions for the months of the current year are displayed.

**Nett Salary** - The final salary paid (**Earnings** minus **Deductions**) are displayed month wise for the current year.

**Menus on the Status Bar**

**Ctrl + Q**: Quit - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Alt + R**: Remove Line - Click **Alt + R** to remove a line temporarily in the screen.

**Alt + U**: Restore Line - To restore the line in the display, click **Alt + U**: Restore Line.

**Ctrl + U**: Restore All - This menu is enabled after clicking **Alt + R**: Remove Line menu. If you remove all lines, you can restore them by clicking **Ctrl + U**: Restore All menu.

**Space**: Select - Click **Space (Spacebar)** to select a month/line for further action.

**Configuration**

The details in the screen can be configured based on the definitions made in the **F12**: Configure button menu. Click **F12**: Configure in the **Salary /Wages Payments** screen. The **Configuration** window in the **Configuration** screen is displayed.

```
<table>
<thead>
<tr>
<th>Configurations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Show Head Count</td>
<td>Yes</td>
</tr>
<tr>
<td>Show Earnings and Deductions Breakup</td>
<td>No</td>
</tr>
<tr>
<td>Show Salary Paid &amp; Balance Amount</td>
<td>No</td>
</tr>
</tbody>
</table>
```

Figure 198. F12: Configure Window

2. Move the cursor under **Head Count** for the month of **April 2009** and press **Enter**
The **Head Count Details** screen for the selected month is displayed.

![Figure 199. Head Count Screen](image)

This is a detailed report of employees Office and Department wise.

3. Click **Alt + F1: Condensed** in the **Head Count Details** screen to display a condensed report.

The **Head Count Details** screen in a condensed form is displayed.

![Figure 200. Head Count Report - Condensed Form - Alt + F1: Condensed](image)

4. Click **Ctrl + F7: Employee Filters** to generate reports based on filters
The **Employee Filters** window in the **Employee Filters** screen is displayed.

![Employee Filters Window](image)

**Figure 201. Employee Filters Window**

5. Select **Branch Office** against **Employee Category** and press **Enter**

6. Select **Accounts Branch (Group)** under **List of Employees/Group** and press **Enter**

The **Head Count Details** screen with the filtered details is displayed.

![Employee Head Count Details - Filtered](image)

**Figure 202. Employee Head Count Details - Filtered**

Return to the **Salary/Wages Payments** screen.

7. Move the cursor to the columns **Earnings**, **Deductions** and **Nett Salary** for the month of **April 2009** and press **Enter**
The **Salary/Wages Payments Monthly Summary** screen for the selected month is displayed.

![Salary/Wages Payments Monthly Summary Screen](image)

This report displays the employee wise information the earnings, deductions and the net salary.

8. Select any employee (e.g. **Ajay**) and press **Enter**

The **Employee Vouchers** screen is displayed.

![Employee Vouchers Screen](image)

9. Select the payment transaction by pressing the **Spacebar**

The **Alt + F9:Audit** button menu is enabled in the right panel

10. Click **Alt + F9:Audit**

11. Make appropriate entries in the **Audit Details** screen

12. Accept the entries

13. Click **Ctrl + A** to accept the audit remarks in **Employee Vouchers** screen
The **Employee Vouchers** screen after the audit is displayed.

![Employee Vouchers Screen after Audit](image)

Figure 205. Employee Vouchers Screen after Audit

In this manner, you can continue auditing the other payroll transactions.

The **Auditing** Dashboard in the **Audit & Analysis** screen after the audit is displayed.

![Auditing Dashboard](image)

Figure 206. Auditing Dashboard

**Button menus in Salary / Wages Payments feature**

**F9: Inv Reports** - Click **F9: Inv Reports** button menu to select and generate inventory reports (default Tally.ERP9 feature).

**F10: Acc Reports** - Click **F10: Acc Reports** button menu to select and generate accounting reports (default Tally.ERP9 feature).

**Alt+F10: Audit Reports** - Click **Alt+F10: Audit Report** button menu to select directly other features under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature and discussed in this Chapter).

**F12: Configure** - Click **F12: Configure** button menu to set up configuration for the report display (Discussed in this Chapter).

**Ctrl + F12: Value** - Click **Ctrl + F12: Value** button menu or click **Ctrl** and **F12** keys together to search for specific payroll information based on user defined criteria (default Tally.ERP9 feature).
Lesson Objectives

On completion of this lesson, you will be able to:

- audit the final accounts statements of Balance Sheet and Profit & Loss A/c

Client Clarifications

Your client can offer clarifications to your queries based on the method of audit you adopt:

- **Remote Access** - In this scenario, you audit your client’s data remotely (online) from your office. The requirement is that both of you (client and you) stay in contact through the Internet to perform the audit. Your client clarifies to your queries online.

- **Remote Authentication**: You perform this type of audit at your client’s office. You log into your client’s data by using your registered ID and password (registered in Tally.Net Server). The Internet is used only the authenticating your ID details. Later it can be closed. After the completion of the audit, your client logs into the system using the ID and password and clarifies your queries.

- **Local Audit**: The client sends the accounting data to your office for audit. After the audit, you can send a backup of the audited data to your Client. The client restores the data and answers the clarifications to the queries raised. The client again sends the updated data back to you for a re-audit.

In all the above situations, it is important that your client uses the Tally.ERP 9 product for accounting and answering the clarifications to be accessed by you for a re-audit.

Client’s Office- Answering Auditor’s queries

1. Open Tally.ERP 9
The **Gateway of Tally** screen is displayed.

![Gateway of Tally Screen](image)

**Figure 207. Gateway of Tally Screen**

2. Select **Display** under **Reports** and press **Enter**
The **Display Menu** screen is displayed.

![Display Menu Screen](image1)

Figure 208. Display Menu Screen

3. Select **Statements of Accounts** and press **Enter**

The **Statements of Accounts** menu is displayed.

![Statements of Accounts Menu Screen](image2)

Figure 209. Statement of Accounts Menu Screen
4. Select **Statutory Audit Info** in the **Statement of Accounts** screen and press **Enter**

The **Statutory Audit Information** screen is displayed.

![Statutory Audit Information Screen](image)

The details in the screen are:

- **Particulars** - The audit features for which the Auditor has requested clarifications are displayed.
- **Need Clarification** - The details of vouchers/transactions that require clarifications are displayed.

5. Select any exception type (e.g., **Verification of Vouchers**) and press **Enter**

The **Verification of Vouchers** screen containing the **List of Need Clarification Vouchers** details is displayed.

![List of Need Clarification Vouchers Screen](image)

6. Select any transaction (e.g. **Electricity Charges**) by pressing the **Spacebar**

The **F9:Clarify** button menu is enabled in the right panel.

7. Click **F9:Clarify**
The **Audit Clarification** window in the **Audit Clarification** screen is displayed.

![Audit Clarification Window](image)

**Figure 212. Audit Clarifications Window**

8. Type the clarification under **Audit Clarifications**
9. Accept the clarification to return to the **Verification of Vouchers** screen with details of **List of Need Clarification Vouchers**

In a similar manner, you can provide the clarifications to other audit queries.

10. Click **Ctrl + A: Accept** to save the clarifications

The **Statutory Audit Information** screen after providing and saving the clarifications is displayed.

![Statutory Audit Information Screen](image)

**Figure 213. Statutory Audit Information Screen after Clarifications**

You will notice that the area under **Need Clarification** is blank in the above image.

To enable your Auditor to see your clarifications, you have to connect to the Tally.Net Server.
The **Gateway of Tally** screen is displayed.

![Gateway of Tally Screen](image)

Figure 214. Gateway of Tally Screen- F4:Connect

11. Click **F4:Connect**

**Auditor's Office - Viewing the Client's Clarifications**

**Clarified**

Once your client connects to the Tally.Net Server (**F4: Connect**) through the Internet, you can view the clarifications provided in your office (remotely in your office).
Log into the **Audit & Compliance** menu to access the **Audit & Analysis** screen. The **Auditing** Dashboard in the **Audit & Analysis** screen is displayed.

You will notice the details of the number of vouchers under **Need Clarification** has moved under **Clarified (To be re-audited)** column in the above image.

1. Move the cursor to the right under **Clarified (To be re-audited)** and press **Enter**

The **Verification of Vouchers** screen with details of **List of Clarified Vouchers** is displayed.

The details in the screen are:

**Date**-The date of the voucher for which the clarification is requested is displayed.

**Particulars**-The ledger account mentioned on the voucher for which the Auditor has requested clarifications is displayed.

**Vch Type**-The type of voucher is displayed.

**Transaction Value**-The value recorded in the voucher which is to be clarified.

**Audit Status**-The status value is mentioned before and after clarification- **Need Clarification** or **Clarified**.
2. Select any transaction (e.g. **Electricity Charges**) by pressing the **Spacebar**

You will notice the button menus, **Alt + F9: Audit** and **Ctrl + F10: Restore Def.** are enabled on the right panel in the above image.

You can now decide on the further course of action on the replies received from the client.

**Altered (To be re-audited)**

**At Client’s Office**

If the audited vouchers are altered by the client, then they have to be re-audited. Let us assume that the client has changed the date of the audited voucher No.140 dt 28/07/2009 (Micro, Small & Medium Enterprises).

The actual date of the Voucher is 28/07/2009. The client changes the transaction date to 25/07/2009 and saves it.

The **Accounting Voucher Alteration (Secondary)** screen is displayed after the date alteration.

![Alteration of Date in Payment Voucher](image)

**Figure 217. Alteration of Date in Payment Voucher**

1. Click **F4: Connect**
At Auditor’s Office

1. Log into the Tally.ERP 9 AE edition
2. Click Audit & Compliance in the Gateway of Tally screen and press Enter
3. Click Audit & Analysis in Audit & Compliance menu and press Enter

The Auditing Dashboard in the Audit & Analysis screen is displayed.

![Auditing Dashboard with Altered (To be re-audited) Details](image)

You will find the value under Altered (To be re-audited) is 1 for the MSME Transactions feature, while the value under Audited is blank. You have to re-audit the voucher again to know the what has been altered and the associated reason(s).

Alt + V: Vouching Done

A button menu, Alt + V: Vouching Done is now provided in the right panel of the Audit & Analysis screen.
The **Audit & Analysis** screen is displayed.

![Image of Audit & Analysis screen](image)

**Figure 219. Audit & Analysis- Alt + V: Vouching Done Button Menu**

This button menu is clicked after the completion of the vouching activity.

1. **Click Alt + V: Vouching Done**

   The **Save Statutory Audit** window in the **Statutory Audit** screen is displayed.

   ![Save Statutory Audit window](image)

   **Figure 220. Save Statutory Audit Window**

2. **Type Yes against Vouching Complete?**

   A message, ‘**Auditing (Completed)**’, is displayed in the **Auditing** Section of the **Audit & Analysis** screen.
The **Auditing** section of the **Audit & Analysis** screen is displayed.

![Audit & Analysis Screen](image)

Figure 221. Auditing Section - Auditing Completed

If your client changes/alters an audited voucher or inserts a voucher or alters an unaudited voucher, the details of such voucher are displayed under the **Altered (To be re-audited)** column when loaded in the Tally.ERP 9 AE version.

**At the Client’s Office**

Consider the scenario where the client inserts a new voucher to account a transaction in the audited data sent for clarification/seeking other information.

The **Accounting Voucher Creation** screen (client’s system) for the payment is displayed.

![Accounting Voucher Creation Screen](image)

Figure 222. Accounting Voucher Creation Screen - Payment
At the Auditor’s Office

When you load the client data for audit again in the Tally.ERP 9 AE, the details of the new voucher is displayed under the *Altered (To be re-audited)* column.

The *Auditing* section of the *Audit & Analysis* screen is displayed.

![Figure 223. Auditing (Completed) To be re-audited Section](image)

1. Move the cursor to the *Altered (To be re-audited)* column and press *Enter*

The *Verification of Vouchers (List of Altered Vouchers)* containing the details of the new voucher is displayed.

![Figure 224. Verification of Vouchers Screen - List of Altered Vouchers](image)
Audit Journals

Lesson Objectives
On completion of this lesson, you will be able to:
- know how to pass final and appropriation entries

Audit Journals
Audit Journals are vouchers used for passing final and appropriation entries to close the books of accounts. Using this feature, you can pass entries for:
- Appropriations
- Depreciation provisions
- Finalisation (affecting P&L A/c)
- Interest Provisions
- Tax Provisions

The Others entries are passed by the client affecting the P&L A/c.

The Audit & Compliance menu is displayed.

Figure 225. Audit Journals- Financial Statements
1. Select **Audit Journals** under **Audit & Compliance** and press **Enter**

The **Audit Journals** menu is displayed.

![Audit Journals](image)

Figure 226. Audit Journals

The details in the report are:

**Particulars** - The different types of final entries passed to close the books of accounts are displayed.

**Total Vouchers** - The number of vouchers entered for each type of final entry is displayed.

**Menus on the Status Bar**

**Ctrl + Q**: Quit - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Alt + R**: Remove Line - Click **Alt + R** to remove a line (type of entry) temporarily in the screen.

**Alt + U**: Restore Line - To restore the line (type of entry) in the display, click **Alt + U**: Restore Line.

**Ctrl + U**: Restore All - This menu is enabled after clicking **Alt + R**: Remove Line menu. If you remove all lines (type of entry), you can restore them by clicking **Ctrl + U**: Restore All menu.
**Space: Select**- Select a type of entry by pressing the Spacebar or **Space: Select** for verification of the exception. To deselect the entry type, select it and press the Spacebar or **Space: Select** again.

**Ctrl + Space: Select All**- Select all entry types by clicking Ctrl + Space: Select All menu for verification. To deselect, click Ctrl + Space: Un Select All.

**Creation of Audit Journal**

2. Click **F7: Audit Jrl**

The Accounting Voucher Creation screen is displayed.

![Accounting Voucher Creation Screen](image1)

Figure 227. Accounting Voucher Creation Screen

3. Select **Appropriations** from List of Appropriations window and press **Enter**

The Accounting Voucher Creation screen used for Interest Provisions is displayed.

![Interest Provision Entry in Journal](image2)

Figure 228. Interest Provision Entry in Journal
4. Select **Profit & Loss A/c** against **By** and enter the appropriate amount under **Debit**
5. Select **Reserves and Surplus** against **To** and enter the matching amount under **Credit**
6. Type the transaction details under **Narration**
7. Accept the entry

The **Audit Journals** menu after the entry is displayed.

![Audit Journals Screen after Entry](image)

**Audit of Audit Journal Entries**

1. Select any journal type (e.g. ** Appropriations**) in **Audit Journal** screen and press **Enter**

The **Audit Journal Vouchers** screen containing the details of **List of All Appropriation Vouchers** is displayed.

![Audit Journal Vouchers Screen](image)

2. Select any transaction by pressing the **Spacebar**

The **F9: Audit** button menu is enabled in right panel.

3. Click **F9: Audit**
4. Make appropriate selection and remarks under the **Audit Details** window in the **Audit Details** screen
5. Accept the audit remarks

The value under the **Audited** column under the **Auditing** Dashboard in the **Audit & Analysis** screen is incremented by the number of transactions audited in the **Audit Journals** feature.
Button menus in Audit Journals Screen

F2: Period: Click F2: Period button menu or the function key F2 if you want to generate the Audit Journals report for a period in the current year.

F7: Audit Jrnl: Click F7: Audit Jrnl button menu or click the function key F7 to display the Accounting Creation Voucher screen (discussed in this Chapter).

F9: Inv Reports: Click F9: Inv Reports button menu to select and generate inventory reports (default Tally.ERP9 feature).

F10: Acc Reports: Click F10: Acc Reports button menu to select and generate accounting reports (default Tally.ERP9 feature).

Alt+F10: Audit Reports: Click Alt+F10: Audit Report button menu to select directly other feature under Audit & Analysis (discussed in the Audit Analysis Chapter).

F11: Features: Click F11: Features button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature and discussed in this Chapter).
Lesson Objectives

On completion of this lesson, you will be able to:

- audit the final accounts statements of Balance Sheet and Profit & Loss A/c

Financial Statements

The financial statements generated by the Auditors’ Edition for audit are:

- Balance Sheet
- Profit & Loss A/c

Balance Sheet

A Balance Sheet is a final accounting report providing a status report of what the business owns (Assets) and what it owes to others (Liabilities) on a particular date, which is the last day of the financial period, 31st March.

Figure 231. Audit & Compliance- Financial Statements
1. Select **Financial Statements** under **Audit & Compliance** and press **Enter**

The **Financial Statements** menu is displayed.

![Financial Statements Menu](image)

2. Click **Balance Sheet** and press **Enter**

The **Schedule VI-Balance Sheet** screen is displayed.

![Schedule VI-Balance Sheet](image)
The Balance Sheet report displays the data for the current and the previous years with details of Schedule Nos. A vertical form of balance sheet is displayed.

The details in the report are:

**Sources of Funds** - The sources that generate or provide funds for operating the client’s business. For example, Capital brought in by the client, Loans, etc.

**Application of Funds** - The ways the sourced funds are deployed in the business. It can be in the form of fixed assets, stocks, cash, investments, etc.

**Schedule No.** - The numbers allotted to accounting heads in the Balance Sheet are displayed.

**Balances (Current Year)** - The balances as on the current year end, i.e. 31st March 2010.

**Balances (Previous Year)** - The audited balances as on the previous year end, i.e. 31st March 2009.

**Menus on the Status Bar**

- **Ctrl + Q**: Quit - Click Ctrl + Q to come out of the current screen and navigate to the previous screen.

- **Ctrl + X**: Move - Click Ctrl + X: Move or click Ctrl and X together to select and move an account from original accounting head.

- **Ctrl + V**: To - Click Ctrl + V: To or click Ctrl and V to move the selected account to the destination accounting head.

- **Ctrl + Z**: Undo - Click Ctrl + Z: Undo or click Ctrl and Z to undo the moving of any accounting head.

- **Ctrl + Enter**: Config - Click Ctrl + Enter: Config or click Ctrl and Enter to move accounts between Schedule VI Groups.

**Configuration**

The details in the screen can be configured based on the definitions made in the **F12: Configure** button menu. Click **F12: Configure** in the **Schedule- VI Balance Sheet** screen. The **Configuration** window in the Configuration screen is displayed.

![Figure 234. F12:Configure- Configuration Window](image)
**Renumbering of Schedule Numbers**

3. Click **F9: Sch. No.**

The **Schedule Number Configuration** screen is displayed.

![Schedule Number Configuration Screen](image)

4. Enter the numbers under **Schedule Number** for the **Schedule VI Headers**
5. Accept and save the entries
6. Click **Alt + N: Notes** button menu in the right panel
The **Notes to Schedule** window for the selected account head in the **Notes to Schedule VI** screen is displayed.

![Notes to Schedule Window](image)

**Figure 236. Notes to Schedule Window**

**Moving of account heads from one head to another**

In the Schedule-VI Balance Sheet screen, you can move an account from one Group to another for better presentation. For example, you can move the balance of the ledger, **Accumulated Depreciation on Fixed Assets** to the **Depreciation** which is a Schedule VI Group.

The **Schedule- VI Balance Sheet** screen is displayed.

![Balance Sheet Report](image)

**Figure 237. Balance Sheet Report**
1. Move the cursor to **Gross Block** Group under **Fixed Assets** and press **Enter** twice

The **Schedule Summary** for the **Fixed Assets** Group is displayed.

![Schedule Summary Screen](image)

2. Select **Accumulated Depreciation on Fixed Assets** by pressing the **Spacebar**

The **Ctrl+ Enter: Config** menu is enabled in the Status Bar.

3. Click **Ctrl+ Enter: Config**

The **Schedule VI- Configurations for Balance Sheet** window in the **Schedule VI- Configuration** screen is displayed.

![Schedule VI Configuration Window](image)

Select **Schedule-VI Groups** against **To** and press **Enter**
The **List of Groups** window is displayed.

![List of Groups](image)

**Figure 240. List of Groups**

4. Select the Group **Depreciation** under **List of Groups** and press **Enter**

The **Schedule VI Configuration for Balance Sheet** window after selection of destination group is displayed.

![Schedule VI Configuration for Balance Sheet](image)

**Figure 241. Selection of Destination Group**

5. Accept the selection
The **Schedule Summary** screen after moving of **Accumulated Depreciation on Fixed Assets** Group is displayed.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Fixed Assets National Traders 09-10 as at 31-Mar-2010</th>
<th>Fixed Assets National Traders 08-09 as at 31-Mar-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>Land &amp; Building</td>
<td>25,06,00,00.00</td>
<td>16,00,00,00.00</td>
</tr>
<tr>
<td>Plant &amp; Machinery</td>
<td>15,25,00,00.00</td>
<td>15,25,00,00.00</td>
</tr>
<tr>
<td>Appliances</td>
<td>45,00,00.00</td>
<td>21,50,00.00</td>
</tr>
<tr>
<td>Computers &amp; Peripherals</td>
<td>1,36,00,00.00</td>
<td>90,48,00.00</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>2,40,00,00.00</td>
<td>2,22,40,00.00</td>
</tr>
<tr>
<td>Gases</td>
<td>1,00,00,00.00</td>
<td>9,05,731,00.00</td>
</tr>
<tr>
<td>Motor Car - Hyundai GLX</td>
<td>107,00,00.00</td>
<td>9,05,731,00.00</td>
</tr>
</tbody>
</table>

**Figure 242. Schedule Summary Screen after Group Movement**

Notice that the Group, **Accumulated Depreciation on Fixed Assets** is not displayed in the screen.

Click **Ctrl + Q: Quit** or **Esc** to return to the **Schedule- VI Balance Sheet** screen.

The **Schedule- VI Balance Sheet** screen is displayed after the above movement.

**Figure 243. Sch VI- Balance Sheet- After Group movement**

Notice that the **Gross Block** and the **Accumulated Depreciation** values are shown separately in the **Schedule – VI Balance Sheet** report.
Restoring to the default/original groupings

If the changes in group movements are not required and are to be reset, you can click **F10: Restore Def.** button menu in the **Schedule - VI Balance Sheet** report.

6. Click **Ctrl + F10: Restore Def.**

The **Schedule - VI Balance Sheet** screen with the message, ‘**Restore Default?**’ is displayed.

7. Click **Yes** to the question, **Restore Default?**
The **Schedule- VI Balance Sheet** screen after the above selection is displayed.

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS</th>
<th></th>
<th>National Traders 99.99 as at 31-Mar-2010 (Rupees)</th>
<th>National Traders 99.99 as at 31-Mar-2009 (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders Funds</td>
<td>Capital</td>
<td>54,90,600.00</td>
<td>55,00,000.00</td>
</tr>
<tr>
<td></td>
<td>Reserves and Surplus</td>
<td>1,84,42,147.74</td>
<td>39,77,863.21</td>
</tr>
<tr>
<td>Loan Funds</td>
<td>Secured Loans</td>
<td>71,69,733.97</td>
<td>18,73,014.36</td>
</tr>
<tr>
<td></td>
<td>Unsecured Loans</td>
<td>19,42,670.06</td>
<td>5,84,154.03</td>
</tr>
<tr>
<td></td>
<td>Deferred Tax Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>32,90,83,951.77</td>
<td>1,19,35,031.54</td>
</tr>
</tbody>
</table>

**APPLICATION OF FUNDS**

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>Gross Block</th>
<th>55,15,000.00</th>
<th>40,65,111.88</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>11,07,827.20</td>
<td>8,08,220.50</td>
<td></td>
</tr>
<tr>
<td>Net Block</td>
<td>44,12,177.89</td>
<td>34,26,489.88</td>
<td></td>
</tr>
<tr>
<td>Capital Work-in-Progress</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>6,60,642.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Tax Asset</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets, Loans and Advances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>75,52,143.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>1,87,54,614.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>74,85,915.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Account is having -Ve Balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>5,00,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Figure 245. Default Restored Screen*

8. Press any key to the message, **Default Restored (press any key)**

The original groupings in the Balance Sheet report are restored by this command.
Button menus in Balance Sheet Report

**Alt + F1: Detailed /Condensed:** Click **Alt + F1: Detailed** to display the expanded details under each accounting schedules.

The Detailed Schedule - VI Balance Sheet report is displayed.

![Detailed Balance Sheet Report](image)

Click **Alt + F1: Condensed** to display the Balance Sheet details in a condensed form.

**F2: Period:** Click **F2: Period** button menu or the function key **F2** if you want to generate the Balance Sheet for another accounting period. For e.g. if you want to generate the balance sheet for FY 2008-09, use this function key to do so.

**Ctrl + F3: Compare Cmp:** Click **Ctrl + F3: Compare Cmp** button menu or click **Ctrl & F3** keys together to compare the Balance Sheet of the current year with that of the previous year (already discussed in this Chapter-default report).

**Alt+F10: Audit Reports**- Click **Alt+F10: Audit Report** button menu to select directly other feature under **Audit & Analysis** (discussed in the Audit Analysis Chapter).

**F11: Features** - Click **F11: Features** button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature and discussed in this Chapter).

**F12: Configure**- Click **F12: Configure** button menu to set up configuration for the report display (discussed in this Chapter).
**Profit & Loss A/c**

The Profit & Loss A/c is statement for a period, usually a year, on the operations of a business. It matches the expenses with the incomes and arrives at the net profits for the period.

The **Financial Statements** Menu is displayed.

![Financial Statements Menu](image)

1. Click **Profit & Loss A/c** under **Financial Statements** menu
The **Schedule-VI Profit and Loss A/c** screen is displayed.

The **Schedule-VI Profit and Loss A/c** screen displays the data for the current and the previous years with schedule nos. A vertical format of the Profit & Loss A/c is displayed.

The details in the report are:

**Income** - The account heads that generate or provide incomes to the operations of the client’s business. For example, Sales Account, etc.

**Expenditure** - The account heads that form the expenses incurred by the client’s business to earn the income. For example, Purchase Account, Direct and Indirect expenses, provisions and appropriations.

**Schedule No.** - The numbers allotted to accounting heads in the Profit & Loss A/c are displayed.

**Balances (Current Year)** - The balances of the account heads as on the current year end, i.e. 31s March 2010.

**Balances (Previous Year)** - The audited balances of the account heads as on the previous year end, i.e. 31st Mar 2009.

**Menus on the Status Bar**
**Ctrl + Q: Quit** - Click **Ctrl + Q** to come out of the current screen and navigate to the previous screen.

**Ctrl + X: Move** - Click **Ctrl + X: Move** or click **Ctrl** and **X** together to select and move an account from original accounting head.

**Ctrl + V: To** - Click **Ctrl + V: To** or click **Ctrl** and **V** to move the selected account to the destination accounting head.

**Ctrl + Z: Undo** - Click **Ctrl + Z: Undo** or click **Ctrl** and **Z** to undo the moving of any accounting head.

**Ctrl + Enter: Config** - Click **Ctrl + Enter: Config** or click **Ctrl** and **Enter** to move accounts between Schedule VI Groups.

**Configuration**

The details in the screen can be configured based on the definitions made in the **F12: Configure** button menu. Click **F12: Configure** in the **Schedule VI Profit and Loss A/c** screen. The **Configuration** window in the **Configuration** screen is displayed.

![Configuration Window](image)

**Figure 249. F12: Configure**

**Renumbering of Schedule Numbers**

2. Click **F9: Sch. No.**
The **Schedule Number Configuration** screen is displayed.

![Schedule Number Configuration Screen- P&L A.c](image)

3. Type the value under **Sort Position** for the respective **Schedule VI Header**
4. Type the value under **Schedule Number** for the respective **Schedule VI Header**
5. Accept the entries
The **Schedule - VI Profit and Loss A/c** screen after renumbering of the schedules is displayed.

![Figure 251. P&L A/c with Sch Nos and Sort Positions](image)

**Button menus in Profit & Loss A/c**

**F2: Period**: Click **F2: Period** button menu or the function key **F2** if you want to generate the **Profit & Loss A/c** for another accounting period. For e.g. if you want to generate the **Profit & Loss A/c** for FY 2008-09, use this function key to do so.

**Ctrl + F3: Compare Cmp**: Click **Ctrl + F3: Compare Cmp** button menu or click **Ctrl & F3** keys together to compare the **Profit & Loss A/c** of the current year with that of the previous year (report displays compared P&L A/c by default).

**F9: Sch.No.-Click F9: Sch.No.** button menu or click **F9** function key to re-arrange the schedule nos and the sort position of the accounting heads (discussed in this Chapter).

**Alt + F9: Master Config**: Click **Alt + F9: Master Config** button menu or click **Alt** and **F9** to know the details of the Schedule VI Group of the accounting heads in the Profit & Loss A/c.

The **Schedule VI Configuration** screen is displayed.
**Ctrl + F10: Restore Def.** Click Ctrl + F10: Restore Def. button menu or click the function keys Ctrl and F10 to restore default settings in the report if there is a change in the position of Group(s) within the default headings of Income or Expenditure.

The original settings in the Profit & Loss A/c report are restored by this command.

Currently the movement of Groups is possible within a particular heading, i.e., you can move an Income Group within the Income heading only or an Expenditure Group within the Expenditure heading.

**Alt+F10: Audit Reports** - Click Alt+F10: Audit Report button menu to select directly other feature under Audit & Analysis (discussed in the earlier Chapter).

**F11: Features** - Click F11: Features button menu to configure details relating to Accts, Inv, Stat, Tally.Net and Audit if required (default Tally.ERP 9 feature).

**F12: Configure** - Click F12: Configure button menu to set up configuration for the report display (discussed in this Chapter).