FREE GUIDE · FOR STATUTORY AUDITORS OF COMPANIES

Your Signature. Your UDIN.

Don't make these 10 Audit Mistakes!

A 10-minute pre-signing review guide for partners, with a 30-point checklist you can use today.



By PracticeGuru **SignReady**

11:47 PM

The audit is finally complete.

Weeks of follow-ups.
Revised trial balances.
Endless Excel sheets.

“Sir, everything is checked. Only your signature and UDIN are pending.”

The numbers look fine.
The schedules are attached.

You sign.
You generate the UDIN.

✓ One more client closed.

Three weeks later...

New email

“Sir, there appears to be a significant difference between the financial statements and the supporting records. Could you please explain?”

You reopen the file.

A revised TB came on the last day.
One important change was missed.

Your team worked hard. The file went through reviews.
Yet one mistake survived.

The question is not who prepared the file.

The question is:

Who signed it?

Your Signature.
Your UDIN.
Your Responsibility.

Even experienced partners miss things when deadlines close in. Here are 10 mistakes worth checking before you sign, and exactly how to check each one.

01 **Missing big year-on-year movements**

02 **Signing after a revised TB without rechecking**

03 **Balance Sheet not matching the notes**

04 **Schedule III presentation slips**

05 **Wrong CARO applicability**

06 **Missing Rule 11 reporting**

07 **Ignoring ratio swings**

08 **Unresolved client queries**

09 **Copy-pasting last year's audit report**

10 **No documented final review**

On every page: What goes wrong · Illustrative example · Check it yourself · Red flag

01

MISTAKE 1 OF 10

Missing big year-on-year movements

WHAT GOES WRONG

The Balance Sheet balances. But a ledger that tripled since last year was never questioned.

ILLUSTRATIVE EXAMPLE

Repairs & maintenance: **₹4L → ₹19L**. It was a new machine, expensed in one go. Profit understated, asset missing.

CHECK IT YOURSELF

- [ ] Put CY and PY side by side, ledger by ledger
- [ ] Explain every movement above performance materiality
- [ ] Look for new ledgers, and ledgers that went to nil

Red flag: “Same as last year” is not an explanation.

02 MISTAKE 2 OF 10

Signing after a revised TB without rechecking

WHAT GOES WRONG

Statements were built on TB v3. The client sends v4 on the last day. Someone updates “the main figures”.

ILLUSTRATIVE EXAMPLE

The revised TB changed **6 of 400 ledgers**. Closing stock was updated. A ₹12L provision reversal was not.

CHECK IT YOURSELF

- [ ] Compare old and new TB line by line, not just totals
- [ ] Trace every changed ledger into the statements
- [ ] Re-run all tie checks after every revision

Red flag: “Only small changes, sir.”

03 MISTAKE 3 OF 10

Balance Sheet not matching the notes

WHAT GOES WRONG

The face of the Balance Sheet says one number. The note says another.

ILLUSTRATIVE EXAMPLE

Note: Trade payables **₹48.6L**. Balance Sheet: **₹46.2L**. An MSME line was added to the note after the BS was “final”.

CHECK IT YOURSELF

- [ ] Every note total = the figure on the face of BS / P&L
- [ ] Reserves: opening + profit − dividends ± transfers & other movements = closing
- [ ] Fixed assets: opening + additions − deletions − depreciation = closing

Red flag: Notes edited after the main statements were locked.

04 MISTAKE 4 OF 10

Schedule III presentation slips

WHAT GOES WRONG

The numbers are right. The presentation is wrong. Reviewers notice this first.

ILLUSTRATIVE EXAMPLE

A ₹30L term loan shown fully as non-current, though **₹8L is repayable within 12 months**. Current maturities missed.

CHECK IT YOURSELF

- [ ] Current / non-current: 12 months or operating cycle, and any right to defer settlement
- [ ] Trade receivables & payables ageing schedules present, and totals tie
- [ ] MSME dues shown separately, matching supplier data on file

Red flag: Last year's note format reused without checking amendments.

05 MISTAKE 5 OF 10

Wrong CARO applicability

WHAT GOES WRONG

"Private company, CARO not applicable." Decided from year-end figures. (Banks, insurers, Section 8 companies, OPCs and small companies are outside CARO anyway.)

ILLUSTRATIVE EXAMPLE

Year-end bank loan: **nil**. But outstanding CC borrowing reached **₹1.4 crore in November**. CARO applies.

CHECK IT YOURSELF

- [ ] Private co. exemption needs ALL: not holding / subsidiary of a public co. · paid-up capital + reserves & surplus ≤ ₹1 cr · bank / FI borrowings ≤ ₹1 cr at any time · total revenue (as per Schedule III, incl. discontinued operations) ≤ ₹10 cr
- [ ] Test borrowings at their peak, not at year end
- [ ] Record the reason for your conclusion on file

Red flag: Applicability copied from last year's file.

06 MISTAKE 6 OF 10

Missing Rule 11 reporting

WHAT GOES WRONG

Last year's report format used. Newer Rule 11 clauses skipped or answered in one line.

ILLUSTRATIVE EXAMPLE

The client's accounting software had the **edit log switched off** for part of the year. The report said nothing about it.

CHECK IT YOURSELF

- [ ] 11(g): audit trail (edit log) enabled for the whole year? Get evidence
- [ ] 11(e): written representations on funds routed through intermediaries
- [ ] 11(f): dividend declared / paid in line with section 123

Red flag: Rule 11 paragraph identical to last year.

07

MISTAKE 7 OF 10

Ignoring ratio swings

WHAT GOES WRONG

Schedule III asks for key ratios, with reasons where a ratio changes by more than 25%. “Business reasons” gets written.

ILLUSTRATIVE EXAMPLE

Trade receivables turnover fell from **8.1 to 3.3 times** (about 45 → 110 days to collect). Reason given: “business reasons”. A major customer had stopped paying.

CHECK IT YOURSELF

- [ ] Compute every required ratio for CY and PY
- [ ] Any change over 25% needs a real, specific reason
- [ ] Ask: does the reason fit what you saw in the audit?

Red flag: The same reason written for every ratio.

08

MISTAKE 8 OF 10

Unresolved client queries

WHAT GOES WRONG

Query raised. Client said “will send”. File signed anyway.

ILLUSTRATIVE EXAMPLE

The bank confirmation for a **second bank account** never came. That account carried a loan nobody had disclosed.

CHECK IT YOURSELF

- [ ] One query register per client: raised, received, resolved
- [ ] Material open points resolved, or reflected in your report, before signing
- [ ] Evidence kept against each query, not in a chat

Red flag: “Client confirmed on call.”

09 MISTAKE 9 OF 10

Copy-pasting last year's audit report

WHAT GOES WRONG

Last year's Word file. New figures typed in. Everything else carried forward.

ILLUSTRATIVE EXAMPLE

The FY 2025-26 report still said **“31 March 2025”** in one paragraph, and carried last year's CARO answer on loans.

CHECK IT YOURSELF

- [ ] Re-test every applicability this year: CARO, IFC, cash flow, small company
- [ ] Read each CARO clause against this year's facts
- [ ] Search the report for last year's dates and names

Red flag: Report finished in 10 minutes.

10 MISTAKE 10 OF 10

No documented final review

WHAT GOES WRONG

The partner did review. But nothing on file shows what was checked, when, or what was left open.

ILLUSTRATIVE EXAMPLE

A peer reviewer asks: **“How was the inventory valuation point closed?”** No one remembers. Nothing is written.

CHECK IT YOURSELF

- [ ] Closing checklist completed and dated
- [ ] Significant review points resolved before signing, conclusions documented
- [ ] Representation letter dated as near as possible to, but not after, the report date

Red flag: “Sir checked it.”

PRINT ME

30-Point Pre-Signing Checklist

Client: _____ FY: _____ Reviewer: _____ Date: _____

Exception? Note it below and resolve before signing.

01 · Missing big year-on-year movements

	Done	Exc.	N.A.
Put CY and PY side by side, ledger by ledger	☐	☐	☐
Explain every movement above performance materiality	☐	☐	☐
Look for new ledgers, and ledgers that went to nil	☐	☐	☐

02 · Signing after a revised TB without rechecking

	Done	Exc.	N.A.
Compare old and new TB line by line, not just totals	☐	☐	☐
Trace every changed ledger into the statements	☐	☐	☐
Re-run all tie checks after every revision	☐	☐	☐

03 · Balance Sheet not matching the notes

	Done	Exc.	N.A.
Every note total = the figure on the face of BS / P&L	☐	☐	☐
Reserves: opening + profit − dividends ± transfers & other movements = closing	☐	☐	☐
Fixed assets: opening + additions − deletions − depreciation = closing	☐	☐	☐

04 · Schedule III presentation slips

	Done	Exc.	N.A.
Current / non-current: 12 months or operating cycle, and any right to defer settlement	☐	☐	☐
Trade receivables & payables ageing schedules present, and totals tie	☐	☐	☐
MSME dues shown separately, matching supplier data on file	☐	☐	☐

05 · Wrong CARO applicability

	Done	Exc.	N.A.
CARO exemption: all 4 tests checked (capital, peak borrowings, revenue, holding)	☐	☐	☐
Test borrowings at their peak, not at year end	☐	☐	☐
Record the reason for your conclusion on file	☐	☐	☐

06 · Missing Rule 11 reporting

	Done	Exc.	N.A.
11(g): audit trail (edit log) enabled for the whole year? Get evidence	☐	☐	☐
11(e): written representations on funds routed through intermediaries	☐	☐	☐
11(f): dividend declared / paid in line with section 123	☐	☐	☐

07 · Ignoring ratio swings

	Done	Exc.	N.A.
Compute every required ratio for CY and PY	☐	☐	☐
Any change over 25% needs a real, specific reason	☐	☐	☐
Ask: does the reason fit what you saw in the audit?	☐	☐	☐

08 · Unresolved client queries

	Done	Exc.	N.A.
One query register per client: raised, received, resolved	☐	☐	☐
Material open points resolved, or reflected in your report, before signing	☐	☐	☐
Evidence kept against each query, not in a chat	☐	☐	☐

09 · Copy-pasting last year's audit report

	Done	Exc.	N.A.
Re-test every applicability this year: CARO, IFC, cash flow, small company	☐	☐	☐
Read each CARO clause against this year's facts	☐	☐	☐
Search the report for last year's dates and names	☐	☐	☐

10 · No documented final review

	Done	Exc.	N.A.
Closing checklist completed and dated	☐	☐	☐
Significant review points resolved before signing, conclusions documented	☐	☐	☐
Representation letter dated as near as possible to, but not after, the report date	☐	☐	☐

Knowing what to check is the **easy** part.

30	×	25	×	2–3	=	1,500+
checks per file		clients		revised TBs		checks in October

ILLUSTRATIVE WORKLOAD ESTIMATE

Can your team do every one of them, for every client, every year, even after the TB changes on the last day?

- **Ten Excel files per client**
- **Re-comparing after every revision**
- **Queries scattered in chats**
- **Partner rework at midnight**

That's where mistakes survive. Not from lack of knowledge, **but from lack of time.**

WORKED CASE

The revised TB on the last day

TB v3 had 400 ledgers. v4 arrives the night before signing. Only **5 ledgers** changed:

Ledger	v3	v4	Change	In the statements?
Warranty expense	**12.00 Dr**	**0.00**	**12.00 Cr**	**✕ Missed**
Provision for warranty	**12.00 Cr**	**0.00**	**12.00 Dr**	**✕ Missed**
Bank charges	0.38 Dr	0.41 Dr	0.03 Dr	**✓ Updated**
Sundry creditor A	3.20 Cr	3.05 Cr	0.15 Dr	**✓ Updated**
Bank account	18.58 Dr	18.40 Dr	0.18 Cr	**✓ Updated**
Net change			**Dr 12.18 = Cr 12.18**	

₹ in lakh · illustrative · the TB still balances, so totals alone won't show the miss

Manually

1. Put v3 and v4 side by side (VLOOKUP on ledger name)
2. Filter rows where the difference ≠ 0
3. Trace each one to its note and re-tie

In SignReady

1. Upload v4 next to v3
2. Revised TB compare lists only the 5 changes
3. FinalCheck re-runs the ties on the new figures

Reversing ₹12 lakh of warranty expense and provision increases profit by ₹12 lakh. A balanced TB alone would not reveal that the revised figures were missed.

MEET

SignReady

Tools to support these 10 review areas.

MISTAKE	HOW SIGNREADY HELPS YOUR TEAM
01 **Year-on-year movements**	CY vs PY analytical review, flagged by materiality
02 **Revised TB**	Revised TB compare: see only what changed
03 **BS vs notes**	FinalCheck: tie and consistency checks
04 **Schedule III**	Draft statements from the TB, checked by FinalCheck
05 **CARO applicability**	Applicability with figures and the rule shown
06 **Rule 11**	Auditor's report draft with current Rule 11 reporting
07 **Ratio swings**	Ratios and variances with reasons to record
08 **Open queries**	Client query sheet: link, replies, files, status
09 **Last year's report**	Review of statements & reports made elsewhere
10 **Final review**	Step-by-step journey to a recorded partner sign-off

SignReady helps your team find, organise and document review points. It doesn't examine all audit evidence or replace your judgement. The signature stays yours.

Try it free on 3 finalisations → practiceguru.pro/signready

Before you sign your next audit report, run one final review.

1. Upload the TB from Tally (Excel)
2. Review flagged movements, ties & open points
3. Sign with confidence

Your first

3 finalisations FREE

No credit card · Keep using Tally & Excel

SCAN OR CLICK

practiceguru.pro/signready

This guide is general information, not professional advice. Refer to the Standards on Auditing, CARO 2020, the Companies Act, 2013 and ICAI guidance for your engagement. Examples are illustrative.