

COMMON ERRORS IN AUDITING

NON – COMPLIANCE OF ACCOUNTING STANDARDS

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Non - Compliance of Accounting Standards

AS-26 Intangible Assets

Disclosed/Presented in FS	Observation by FRRB
Accounting Policy on 'Intangible Assets' of some companies stated that expenditure incurred on research and development had been accumulated and amortized over a period of 5 years, while some other stated that such expenditure were charged as expense .	As per para 41 & 44 of AS 26, expenditure incurred during research phase should be charged as an expense while expenditure incurred during the development phase should be recognised as an Intangible Asset .



Source : FRRB publication on Common Errors

CAG EMPANELMENT POLICY

CA. Ravi Kr. Patwa
Tip with Sip



Source : care.cag.gov.in/policy/Policy.

CAG Empanelment Policy

❖ When do the points start getting counted?

- *Points start getting counted after completion of one full calendar year from the date of Formation of firm/LLP with one full time FCA.*

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CA. Ravi Kr. Patwa
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Source : care.cag.gov.in/policy/Policy.

CAG Empanelment Policy

❖ Points for Experience of the firm/LLP

- **1 Point for every calendar year - Maximum 15.**

Counted from the date of constitution of the firm/LLP with one full time FCA or date of joining of the firm/LLP by the existing partner having the longest association with the firm/LLP whichever is later. (Such date will be considered as Formation Date of the firm).

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Source : care.cag.gov.in/policy/Policy.

CAG Empanelment Policy

❖ *Maximum number of CAs considered for Points*

- *20 Numbers of full time Partners*
- *20 Numbers of full time CA Employees*



Source : care.cag.gov.in/policy/Policy.

CAG Empanelment Policy

❖ *Points for full time CA Partners (Max 20)*

- *5 points for each FCA*
- *3 points for each ACA*

Each of the first 5 partners will get full points as mentioned above and the remaining 15 partners will get half of these points.