

NAME OF CLIENT:			
YEAR END:			
Inquiries of management (office use only)			
Name:	Position:	Date:	Completed by:

UNDERSTANDING THE ENTITY - BASICS

Describe the industry and nature of operations:	
Describe products or services”	
Locations (e.g., head office, warehouses, etc.)	
Number of employees:	
Legal name (if different from above)	
Primary contact (Name):	
Telephone:	
Fax:	
Email:	
Type of entity:	
Jurisdiction:	
Date of incorporation	
Name any third-party users of the financial information:	
If there are third party users, according to management, the third party	
a) is in a position to request further information from the entity, or	
b) has agreed with management on a basis of accounting used?	

Debt/financing arrangements

Significant change from last year	
Other (describe)	

Key advisors to the entity (e.g., legal, actuaries, stockbroker, and insurance brokers)

Name and contact information	Address	Nature of services provided

Key operating personnel (e.g., CEO, CFO, key managers, and IT staff)

Name	Position	Qualifications	Telephone	Email

Understanding the Entity – Compilation

Directors and Officers			
Name	Position	Experience	Interest (%)
Governance			
Briefly describe the governance structure (e.g., owner-manager, board of directors).			
Those charged with governance:			
Name	Role	Position	Qualifications
Accounting System and Records			
Who inputs data and prepares accounting records?			
What accounting software is used?			
Describe how the entity processes transactions for the major transaction streams			
Consider:			
Source documents used (i.e., invoices, cash and credit cards)			
Describe any additional systems/software used.			
How is the financial information compiled and summarized? (i.e., journal entries etc.),			
Describe the nature of prior year adjusting entries.			
Describe the nature of adjustments that are expected in the current year.			

UNDERSTANDING GOVERNMENT ASSISTANCE	
What government assistance has the entity applied for?	
Who prepares applications for government subsidies?	
Describe the method(s) used to calculate claims for government assistance.	

UNDERSTANDING REVENUE TRANSACTIONS	
Type(s) of revenue	
What source documents are used for revenues (i.e. invoice, point of sale, or other	
How is revenue recorded	
How is revenue collected? (i.e. cash, credit, direct deposit)	
Describe any significant change in revenue?	
Describe any complexities in revenue?	



Understanding the Entity – Compilation

UNDERSTANDING PURCHASE TRANSACTIONS	
Describe how purchase transactions are initiated and authorized. (e.g., purchase orders, online orders, phone calls or emails).	
What type of purchases does the entity make?	
Describe how purchase transactions are recorded in the general ledger.	
Describe any significant change in purchases.	
Describe any complexities in purchases.	
INVESTMENTS	
Is this section applicable? <input type="checkbox"/>	
What type(s) of investments are held by the entity?	
Describe how investment transactions are recorded.	
Describe any significant change in investments.	
Describe any complexities in investments.	
PROPERTY, PLANT AND EQUIPMENT	
Is this section applicable? <input type="checkbox"/>	
What are the nature and types of property, plant, and equipment?	
Describe how property, plant and equipment are recorded	
Describe how amortization is calculated and recorded	
Describe any significant change in property, plant, and equipment.	
Describe any complexities in property, plant, and equipment.	
SALES TAXES	
Is this section applicable? <input type="checkbox"/>	
1. Does the entity engage in sales subject to GST/HST? If so, how are the amounts determined and recorded?	
2. Does the entity engage in sales subject to Provincial sales taxes? If so, how is PST determined and recorded?	
LOANS AND ADVANCES PAYABLE	
Is this section applicable? <input type="checkbox"/>	
What are the nature and terms of loans and advances payable (e.g., interest rates, security, covenants, and restrictions)?	
How are loans and advances recorded?	
Describe significant changes in the composition of the loans and advances payable from the prior period.	
Describe any complexities in loans and advances.	
DEBT	
Is this section applicable? <input type="checkbox"/>	
Describe the entity's debt and credit facilities	
Describe any complexities in Debt	



Understanding the Entity – Compilation

UNDERSTANDING PAYROLL TRANSACTIONS

Is this section applicable? <input type="checkbox"/>		
Identify the entity's personnel:	Number of employees:	
	<input type="checkbox"/> Operations	
	<input type="checkbox"/> Supervisors	
	<input type="checkbox"/> Office / admin	
	<input type="checkbox"/> Management	
	<input type="checkbox"/> Other	
Describe how payroll is processed	<input type="checkbox"/> Payroll service is used. Name of service provider:	
Describe significant changes in employees from the prior period.		

UNDERSTANDING INVENTORY AND WORK IN PROGRESS

Is this section applicable? <input type="checkbox"/>		
Describe the type of inventory systems maintained by the entity	<input type="checkbox"/> Periodic <input type="checkbox"/> Perpetual <input type="checkbox"/> Other (specify)	
Describe how the inventory sub-ledger is updated for goods received/sold		
Describe how inventory transactions are recorded in the general ledger.		

UNDERSTANDING RELATED PARTIES

Is this section applicable? <input type="checkbox"/>	
Inquire about:	
a) A list of related parties.	
b) Describe any changes in related parties	

BASIS OF ACCOUNTING

Describe management's basis of accounting.	
Where applicable, describe management's policies used to recognize and measure significant items.	
Describe any complexities in the basis of accounting.	

