

Accounts Payable Audit Program

Creditors Balance Verification

Objective

To verify the accuracy and existence of creditors' balances as reported in the financial statements, ensuring that all liabilities are properly recorded and disclosed.

Audit Procedures

Procedure	Description	Performed By / Date
Obtain Creditors Listing	Obtain a complete listing of creditors/accounts payable as of the balance sheet date from the client's records.	
Agree with General Ledger	Reconcile the total of creditors' listing with the accounts payable balance in the general ledger.	
Select Sample Accounts	Select a representative sample of creditors' accounts for confirmation and verification based on materiality and risk assessment.	
Send Confirmation Requests	Prepare and send creditors' balance confirmation requests to selected suppliers/creditors.	
Review Confirmation Replies	Review responses received and investigate any differences between the client's records and creditors' confirmations.	
Test Subsequent Payments	Examine payments made after the year-end to verify settlement of outstanding balances as at balance sheet date.	
Search for Unrecorded Liabilities	Review subsequent invoices and cash payments to ensure that all amounts owed as of year-end have been recorded.	
Investigate Debit Balances	Investigate debit balances in creditors' accounts for possible misclassification or other errors.	
Document Findings	Document results, discrepancies, and obtain client explanation for significant differences, if any.	

Conclusion

Based on the above procedures, state whether the creditors' balances appear to be fairly stated, supported by adequate audit evidence.

Prepared by: _____

Date: _____

Reviewed by: _____

Date: _____

Important Notes

- This program should be tailored to the specific client and risk assessments.
- Maintain confidentiality of creditor information.
- Ensure confirmations are sent and received independently from the client.
- Always follow up on non-replies and significant discrepancies.
- Proper documentation is critical for audit quality and supporting conclusions.

