Section 6

CHECKLISTS

6.1 General and Administrative Checklist and Correspondence (Cont'd)

6.1.2 Attendance at Physical Inventory Counting Checklist *(ISA501)*

		WP Ref	Comments	Initials and date
General				
1.	a. Obtain and review client's instructions for physical inventory count, if available, for adequacy of procedures and controls during the count. *(Note: If possible, auditors should be present before the commencement of the count to:* • *attend the briefing of the physical inventory count* • *tour the premises for a general observation of:* ▪ *layout of premises, arrangement of inventories* ▪ *segregation of inventories – obsolete items, those belonging to third parties, inventories not to be counted (cut-off), etc.* ▪ *location of high-value items (inventories and property, plant and equipment)* ▪ *control over inventory count sheets* ▪ *etc.)* *Note on tour of premises:* ____________________ ____________________ ____________________ ____________________			
	b. Review prior period working papers and note nature and volume of inventory and location of high value items.			
ISA620	c. Consider the need for expert assistance for inventories of a specialised nature such as jewellery.			
2.	Record the following details for each location visited: a. location(s) being counted; b. date(s) of count and attendance; c. types of inventory held at location; d. approximate value of inventory by category at location; e. details of any inventories at locations not covered by the count and any alternative method used to verify their existence; f. brief description of the procedure adopted where there is no written inventory taking instruction; g. names of client staff counting; h. names of audit staff taking part.			