VOUCHING

Vouch (in simple English) mean it assert or confirm as a result of one's own experience the truth or accuracy of (something).

Vouching, widely recognized as "the backbone of auditing," is a component of an audit seeking to authenticate the transactions recorded in a firm's book of accounts. When an accounting transaction is vouched, it is tested and verified by presenting relevant documentary evidence.

Vouching is seeking to establish the accuracy of recorded transactions, vouching ensures that all the entries in the books of accounts come with the relevant evidence, including invoices, receipts, and others. Auditors confirm that the amounts mentioned in each transaction are truthful, disclosing the nature of a transaction, and its authorization.

Ronald A. Irish of Australia defines vouching as "Vouching" is a technical term which refers to· the inspection by the auditor of documentary evidence supporting and substantiating a transaction.

Vouching is known as the essence of auditing.

Hence, the auditor has to be extremely careful while vouching. It's purpose is to see that the financial transactions have been properly authorised, recorded and entered in the books of account. It means testing the truth of items recorded in the books of original entry.

A sign Post outside "Hotel"
We've never had to evict a dog in the middle of the night for being drunk and disorderly. And We've never had a dog run out on a hotel bill.
Yes, indeed, your dog is welcome at our hotel.
And, if your dog will **vouch** for you, you're welcome to stay here, too." (I assume the same consideration would apply in the case of a cat.)

Purpose of Vouching

1) Look for proper evidence—depending on nature of transactions

2) Right Period

3) Correct and Appropriate Amount

4) Proper Classification of Capital vs Revenue

5) It should be for Purpose of business related activity.

6) Accuracy with regard to compliance of law.

7) Proper authorisations and check carry-out

8) No error or fraud within transactions

9) Properly presented and recorded in accounts

10) Properly debited under right head of accounting

11) It should be properly arranged.

Profit & Loss Account
(For the year ended…)

Dr. Particulars	Amount	Cr. Particulars	Amount
To Gross loss b/d	Xxx	By Gross Profit b/d	Xxx
To Salaries	Xxx	By Discount Received	Xxx
To Office rent, rates and taxes	Xxx	By Commission Received	Xxx
To Printing & stationery	Xxx	By Bank Interest	Xxx
To Telephone expenses	Xxx	By Rent received	Xxx
To Postage & telegram	Xxx	By Dividend on shares	Xxx
To Discount Allowed	Xxx	By Interest earned on debentures	Xxx
To Insurance	Xxx	By Profit on sale of asset	Xxx
To Audit Fees	Xxx	By Net loss	Xxx
To Electricity charges	Xxx		
To Repairs & renewals	Xxx		
To Depreciation	Xxx		
To Advertisement	Xxx		
To Carriage Outwards	Xxx		
To Bad Debts	Xxx		
To Provision for Bad debts	Xxx		
To Selling commission	Xxx		
To Bank Charges	Xxx		
To Interest on loans	Xxx		
To Loss on sale of asset	Xxx		
To Net Profit	Xxx		
	XXX		XXX

Balance Sheet — ABC Company

Liabilities (as at 31-Mar-2009)			Assets (as at 31-Mar-2009)		
Capital Account		24,00,000.00 3.63%	Fixed Assets		2,00,000.00 0.30%
Capital Account	24,00,000.00		Capital Goods	2,00,000.00	
Loans (Liability)		12,00,000.00 1.81%	Current Assets		6,59,65,112.25 99.68%
Loan From Bank	12,00,000.00		Closing Stock	2,51,66,005.25	
Current Liabilities		2,32,81,966.25 35.18%	Loans & Advances (Asset)	66,000.00	
Duties & Taxes	1,34,586.75		Sundry Debtors	3,07,23,732.00	
Sundry Creditors	2,31,22,704.50		Cash-in-Hand	74,53,050.00	
CST Deferred Account	3,200.00		Bank Accounts	25,52,825.00	
Interest Payable Account	16,275.00		CST Refund Granted Ac	2,000.00	
Tax Deferred A/c	5,200.00		Entry Tax	3,500.00	
Branch / Divisions		8,600.00 0.01%	Unadjusted Forex Gain/Loss		12,558.00 0.02%
Branch/ Division	8,600.00				
Suspense A/c					
Refund Claim on Exports					
Profit & Loss A/c		3,92,87,104.00 59.37%			
Opening Balance	2,26,300.00				
Current Period	3,90,60,804.00				
Total		6,61,77,670.25 100%	Total		6,61,77,670.25 100%

Important points to be considered by auditors in vouching

1. Check whether the vouchers are printed, numbered and arranged in the order of the date of occurrence of transactions.

2. The entries in the books of accounts should also be numbered and the number and date should correlate with the concerned voucher.

3. The name of the person with whom the transaction is carried out, the details of the transaction and the amount involved should be clearly stated in the voucher. Indirect taxes charge should be separately stated.

4. All payments of Rs.500/- and above should be supported by a stamped voucher.

5. The transactions should be clearly **classified into revenue or capital transactions** and accordingly entered in the books of accounts.

6. The vouchers **should bear the signature of the authorizing officer**.

7. The transaction **should relate only to the business aspects of the organization** and transactions of **personal nature should not be recorded**.

8. Some transactions may be entered twice or some voucher may be used as an evidence for two different transactions entered in the books of accounts. So, the auditor **should stamp the vouchers already verified** by him to avoid such frauds.

9. Wherever necessary, the **supporting documents are to be attached with the vouchers**, so that the transaction can be verified in depth. If the supporting evidences are not available, the auditors **may ask for more information and explanation** concerning such transactions.

10. The auditor should **verify that the prepaid and outstanding amounts are duly accounted** for the period to which such transactions relate.

11. After completing the vouching, the **auditor may make a separate note of explanation** sought in support of the transactions. He shall also make out a list of missing vouchers.

12. An auditor should **ensure that the alterations made in the vouchers are duly authorized**.

13. While vouching, the auditors **should use different types of "tick marks"** which may be helpful for them for their future reference. Each mark made by them conveys different meanings which could be useful to them for future reference.

14. **Vouching should be continuous** and vouching for a specified period and for a specified nature of transactions should be done at a stretch and completed at one go which may reduce the chances of errors and frauds

RAVE INDIA LTD.

11/9, Jangpura, Bhogal, New Delhi-110014
GSTIN: 07AAFD8457JU3
PAN NO. AAACR1789Q

TAX INVOICE

PARTY'S DETAILS: M/S CONNECT MARKETING SARTIA VIHAR, NEW DELHI-110076 GSTIN: 07NNFD8457JU3	INVOICE NO.	92512 / 2017-18
	INVOICE DATE :	15-02-2018

Description of Goods	HSN CODE	QTY	RATE	AMOUNT

		TOTAL AMOUNT	-
	Add: CGST	14%	-
	Add: SGST	14%	-
		GRAND TOTAL	-

Total Amount (INR - In Words) :
Twenty Three Thousand Only

For RAVE INDIA LTD.

Authorised Signatory

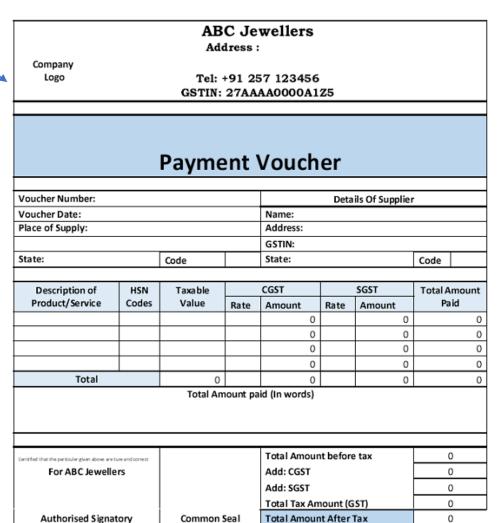Format of "Sales Invoice or Voucher" under GST regime.
For Purchaser same will be considered as "Purchase Invoice"
If Purchase is made from Unregistered Dealer –Prepare Payment Voucher as follow:--

Assertions to be evaluated :-
a) Occurance
b) Completeness
c) Measurement
d) Presentation and Disclosure
e) Terms of sales
f) Period to which transactions relates to.
g) Nature of sales – Local or Export
h) Reconciliation of Stock
i) Cross verify whether payment received in time if credit sale is there.

ABC Jewellers

Address :

Company Logo

Tel: +91 257 123456
GSTIN: 27AAAA0000A1Z5

Payment Voucher

Voucher Number:		Details Of Supplier	
Voucher Date:		Name:	
Place of Supply:		Address:	
		GSTIN:	
State:	Code	State:	Code

Description of Product/Service	HSN Codes	Taxable Value	CGST Rate	CGST Amount	SGST Rate	SGST Amount	Total Amount Paid
				0		0	0
				0		0	0
				0		0	0
				0		0	0
Total		0		0		0	0

Total Amount paid (In words)

Certified that the particular given above are ture and correct For ABC Jewellers		Total Amount before tax	0
		Add: CGST	0
		Add: SGST	0
		Total Tax Amount (GST)	0
Authorised Signatory	Common Seal	Total Amount After Tax	0

Receipt Voucher –Which can be also expenses voucher for person who is making payment or if required he may prepare a Separate one.

ABC International

P.O. Box : 12345, Dubai - UAE.
Tel : +971 4 1234567
Fax : +971 4 1234567
Email : info@abcinternational.com
Website : abcinternational.com

Receipt Voucher	Invoice No.

Date		Amount
Client's Name		
Client's Contact Number		Cash ☐ Cheque ☐

Payment Description/Details

Receiver's Name	Receiver's Signature

Payment Voucher

PV No: _____

Amount:	Date:
Method of Payment	
Cash:	Check#:
To:	
The Sum of:	
Being:	Payee:
Approved By:	Paid By:	Signature

Payment Voucher Template

Other Special Vouchers-

Gift or Prepaid Vouchers or Credit Card mileage Vouchers.

Bank cash receipt for giving "Letter of Undertaking" or giving guarantee and received commission for that.

GardenExpress
Australia's largest online nursery

Congratulations _____

You have received a Garden Express Gift Voucher

From: _____

_____

For the Value of: _____

Voucher Code: _____   Expiry Date: _____

To claim this voucher either: Go to www.gardenexpress.com.au and shop our extensive range on-line, redeeming the above voucher code in the checkout.

Or contact our friendly customer service team on 1300 606 242 with your order, or to request a printed catalogue to order from.

For help on how to use your voucher on-line, visit www.gardenexpress.com.au/voucher

Petty Cash Receipt

Date_____No. _____

Amount $_____

Description	
Charged to	
Received by	
Approved by	

ebay.in

‖87654‖32109‖

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3671 230000 1001
3671

VALID FROM 01/15   VALID 01/18

RAVI SHANKAR
JP No. 12345XXXX

Ⓓ Diners Club
INTERNATIONAL

Non -Cash Voucher   **(Example)**

Name of the Party and Address

Voucher No. ....   Date ....

	Amount in Rs.
Debit : Purchase A/c 100 Bulbs @ 30 per blub	3000
Credit : Name of Creditor	3000
Signature of Manager	

Signature of Accountant