

**Standard program of a financial due diligence
accounting based audit approach**

No.	Item / subject	request (Y/N)	available	Comment / remarks	Ref. No.
1	General Information				
a.	Understanding the business & environment				
b.	Corporation structure				
c.	Description of business operations				
2	Organization of the accounting				
a.	IT -system and environment				
b.	Personnel equipment, qualification				
c.	Inhouse solution / outsourcing				
d.	Software certificate				
3	External accounting				
a.	(Group) Accounting guideline				
b.	Annual financial statements and audit certificates for the past three years (single and consolidated)				
	- General ledger				
	- trial balance				
	- sub ledger (credit and debit account)				
	- journal				
	- audit report				
	- management letter				
	- notes				

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c.	Description of the individual positions in the financial statements if the name itself does not show the content				
d.	Significant changes in accounting and valuation in the past three years				
e.	Monthly sum and balances reports for the past three years				
f.	Inspection reports of the internal controlling system				
g.	Cash flow statements (company, locations)				
h.	Management report				
4	Up to date accounting				
a.	Interim accounts statement incl. balance, profit and loss account and cash flow statement				
b.	Current monthly sum and balance lists as well as economic analysis				
c.	Explanations to the current development especially data about significant changes compared with the previous annual financial statement				
d.	Monthly / quarterly reconciliation of Intercompany account				
5	Internal accounting / controlling				
a.	Description of the cost accounting and controlling system incl. dunning and time data collection				
b.	Information about product cost calculation/ calculation				
c.	Operational accounting data sheets				
d.	List of possible contribution criteria (distribution code) per location or business sectors				
e.	Description of the calculation basis for the imputed costs				
f.	Description of the adjustable contribution procedure of the cost centres and other general costs				
g.	Data transfer to the annual financial statements				
h.	Marginal income per product groups, customers, locations etc.				

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l.	Analysis of the past three years' monthly turnovers (per area, products, locations, customers)				
j.	Presentation of the main costs				
k.	Explanatory notes to the cost development of the individual positions				
l.	Internal profit and loss account, product and customer profit and loss statements, capacity utilization etc.				
m.	Organization of the information and the financial planning system				
6	Specific accounting areas				
a.	Revenue recognition				
b.	Fixed assets				
c.	Stocks / Inventory				
d.	Receivables – debtor's balances previous and current year				
e.	Bank statements (fund evidence)				
f.	Loan contracts / liabilities				
g.	Leasing / rent / lease				
h.	Budgetary accounting: Profit & loss, investments, Turnover, stock development, costs planning				
7	Other issues				
a.	Other important agreements which may influence the company's financial situation				
b.	List of all existing/ imminent dangerous waste from the past incl. relating expertise and other examination results				
c.	Reports on financial investigation				
d.	List of all imminent legal disputes incl. estimations of financial burdens/ incomes and lawyer's confirmation per last date of the balance sheet				