Internship Report On

Internal Control and Accounting Information System of Madaripur Spinning Mills (Pvt) Limited

Submitted To:

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Date of Submission

Letter of Transmittal

Repon Miah

Assistant Professor

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Subject: Internship Report on “Financial Performance Evaluation of Madaripur Spinning Mills (Pvt) Limited”

Dear Sir,

I am honored to submit my internship report titled “**Internship Report on Internal Control and AIS of Madaripur Spinning Mills (Pvt) Limited**” which I have prepared as a requirement for completing my Bachelor of Business Administration (BBA) degree at Daffodil International University, with a major in Accounting. This internship program has allowed me to work in a recognized manufacturing business and receive on-the-job training, which has undoubtedly increased my knowledge. I am pleased to submit my internship report, which is a necessity for my internship. I was tasked with writing a report on the subject of " **Internal Control and AIS** of **Madaripur Spinning Mills (Pvt) Limited**" during my three-month internship. I was able to apply and match my theoretical knowledge in the organization through this report, which would be very beneficial to me going forward.

It is my earnest hope that you will find this report entertaining and that you will think of it as a useful one. Last but not least, I appreciate this opportunity to show my profound gratitude to you for sparing your valuable time, guidance, constant effort and prompt attention as and when required for accomplishing this report.

Again, I want to thank you for your guidance and support.

Sincerely yours

Syed Fazla Rabbi

ID: 211-11-1264

Program: BBA, Major in Accounting

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Certificate of Approval

In order to partially fulfill the requirements for the Bachelor of Business Administration (BBA) degree with a Major in Accounting under the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University, **Syed Fazla Rabbi, ID: 211-11-1264,** has prepared and submitted the internship report titled **""** **Internal Control and AIS** of **Madaripur Spinning Mills (Pvt) Limited."**

The internship at Madaripur Spinning Mills (Pvt) Limited, which concentrated on its " **Internal Control and AIS** procedures, served as the basis for this study. It has undergone a rigorous evaluation and been accepted as an authentic and thorough depiction of the intern's work. The paper was produced under my direction and satisfies the Department of Business Administration's academic requirements.

21.09.2025

Repon Miah

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Declaration

I, Syed Fazla Rabbi, ID: 211-11-1264, a student of Bachelor of Business Administration (BBA), majoring in accounting at Daffodil International University, hereby declare that the

Internship report titled **“Internal Control and AIS of Madaripur Spinning Mills (Pvt) Limited.**" is my original work.

This report was created in order to fulfill the criteria for the BBA degree, and it has never before been presented for academic or professional purposes to any other organization or institution.

I further attest that **Repon Miah, an assistant professor** in the Department of Business Administration in the Faculty of Business and Entrepreneurship at Daffodil International University, oversaw and provided direction during the completion of the report. The report conforms with the university's academic integrity policy and includes proper citations for all external sources and references.

Sincerely,

Rabbi

Syed Fazla Rabbi

ID: 211-11-1264

Program: BBA, Major in accounting

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

First and foremost, I would like to express my deepest gratitude to the Almighty for granting me the strength, patience, and ability to complete this internship and report successfully.

For his unwavering support, encouragement, and insightful advice during my internship and the writing of this report, I am incredibly appreciative of **Repon Miah**, an assistant professor in the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. His advice and observations have greatly improved my comprehension and guaranteed the caliber of this paper.

I would like to express my sincere gratitude to **Madaripur Spinning Mills (Pvt) Limited** for giving me the chance to have practical experience in the area **of** Internal Control and AIS. I am appreciative of the department's employees and managers for their support, tolerance, and readiness to impart information, all of which helped me advance academically and professionally.

I would also like to thank my family and friends for their continuous support, encouragement, and understanding throughout this internship journey. Their motivation played a crucial role in keeping me focused and driven.

Finally, I would like to express my gratitude to the Faculty of Business and Entrepreneurship, Daffodil International University, for equipping me with the foundational knowledge and skills that I could apply during my internship

Executive Summary

This report evaluates the Internal Control System and Accounting Information System (AIS) of Madaripur Spinning Mills (Pvt.) Limited, with emphasis on QuickBooks integration. Based on interviews and company records, the study found strong financial controls and partial AIS automation, but also identified underutilized software features, manual inventory handling, limited cybersecurity, and reliance on key personnel. Operational issues such as outdated machinery, frequent power interruptions, and minimal export market penetration were also observed.

Recommendations include advanced AIS/QuickBooks training, real-time data integration, secure cloud backups, barcode-based inventory management, and machinery modernization. Establishing an R&D unit, obtaining global textile certifications, and creating an export-focused marketing strategy are suggested to enhance competitiveness. Implementing these measures would strengthen internal controls, improve operational efficiency, and expand both domestic and international market reach.

Table Content

Chapter 1: Introduction

1.1 Introduction

Bangladesh's economic development relies heavily on the textile and garment sector, which contributes significantly to GDP, export revenues, and job creation. Within this business, spinning mills such as Madaripur Spinning Mills serve as the foundational stage, transforming raw cotton into yarn that is then used by weaving and knitting industries. Given the complexity of operations, financial transactions, and production processes in such an industrial setting, implementing a strong Accounting Information System (AIS) and effective internal control mechanisms is critical to ensuring operational efficiency, financial reporting accuracy, and regulatory compliance.

This report was created as part of the internship requirement at Madaripur Spinning Mills (Pvt) Limited (MSMPL), with a focus on the company's internal control system and Accounting Information System (AIS). The research intends to investigate how MSMPL's internal controls protect assets, assure financial accuracy, and limit risks. Furthermore, the significance of the AIS in promoting effective decision-making and operational efficiency is investigated. The study's conclusions are based on observations, data analysis, and practical experience gathered during an internship at MSMPL, which provide important insights into the company's financial management methods.

1.2 Background of the Study.

Madaripur Spinning Mills (Pvt) Limited is one of the established spinning mills in Bangladesh, operating since **[2006]**. The company produces a range of yarn products catering to both domestic and international markets. Given the competitive business environment and the global economic slowdown, it is imperative for companies like Madaripur Spinning Mills to evaluate their financial performance regularly to ensure sustainability and profitability

1.3 Objective of the Study

The main reason for writing this report is to complete the requirements of Daffodil International

University's internship program, but in the process of gathering information, I learned a lot about Madaripur Spinning Mills (Pvt) Limited and the global workplace. A few other significant goals of writing this report on Madaripur Spinning Mills (Pvt) Limited are listed below.

- To understand the internal control systems implemented by the company.
- To explain the components of AIS of the company.
- To evaluate the current status of the AIS of the company.
- To analyze how internal control and AIS are integrated.
- To identify gaps and provide recommendations for improvement.

1.4 Methodology

Primary Data:

Primary information was collected mainly through unstructured interviews with several key personnel of Madaripur Spinning Mills (Pvt.) Limited. Respondents included the line manager of project evaluation, the IWS process lead, and selected team leaders from different production units. The unstructured nature of these interviews allowed respondents to share their insights freely, providing deeper understanding of the company's internal control practices and Accounting Information System (AIS).

Secondary Data:

Secondary information was obtained from company documents, internal policy manuals, annual reports, and relevant online resources. These sources supported cross-verification of primary data and provided additional perspectives on the operational and financial practices of the organization**.**

1.5 Limitations

A number of restrictions were faced throughout this internship, which might have affected the report's breadth and depth. First, business policies limited access to sensitive financial data, making it difficult to conduct a more thorough financial analysis. Second, the internship had a very short duration, which limited the amount of time available for doing in-depth internal process review and significant fieldwork. Finally, the report's conclusions depended on the completeness and correctness of the records and paperwork that were already in place because it used secondary data for some of its findings

Chapter 2: Company Profile

2.1 Company Overview

Madaripur Spinning Mills (Pvt.) Limited is a leading textile manufacturing company located in Madaripur, Bangladesh. It specializes in producing high-quality cotton yarns used by major garment manufacturers. The company operates with a mission to deliver superior textile products while adhering to ethical and sustainable practices.

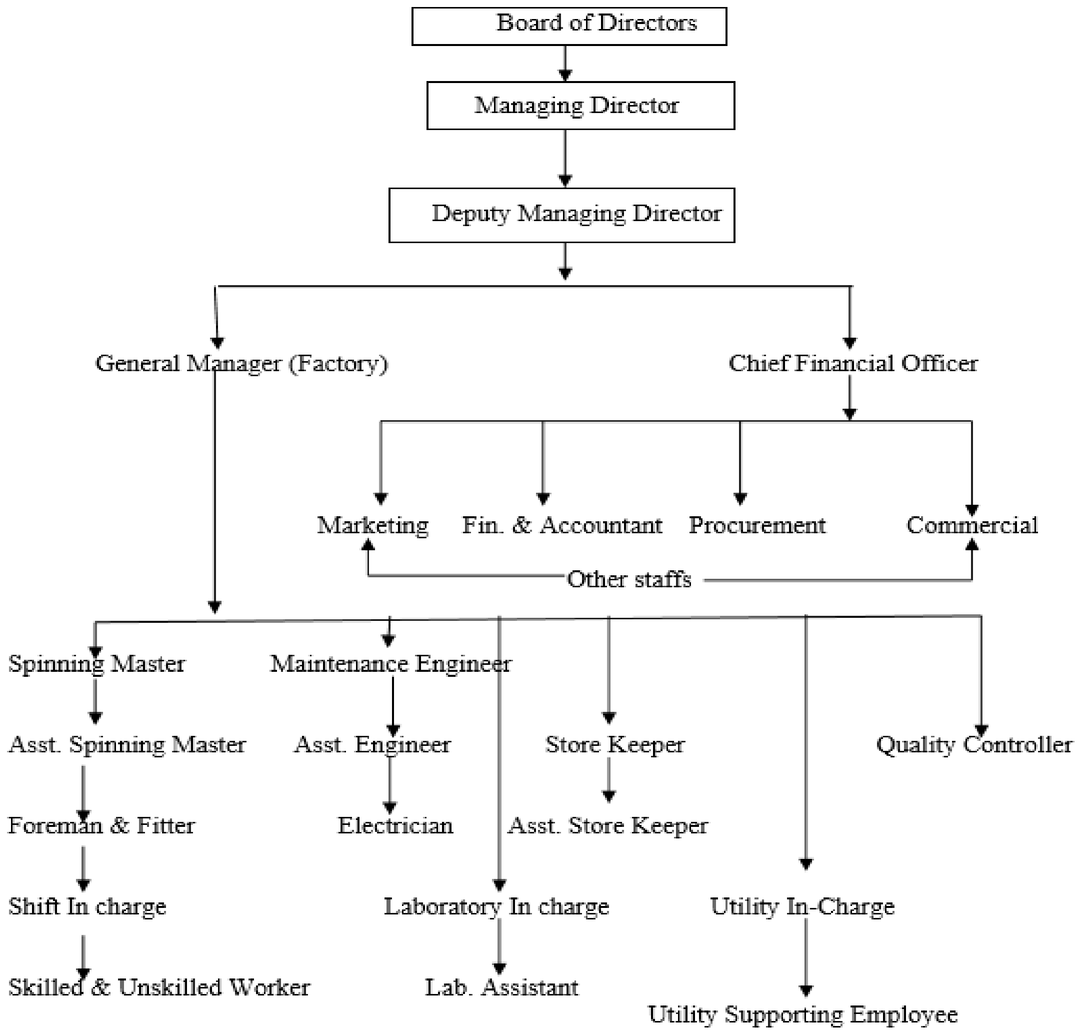
2.2 HISTORICAL BACKGROUND OF MSMPL

Bangladesh Textile Mills Corporation founded Madaripur Textile Mills in 1995 under government supervision. Therefore, the Mills were taken over under the effective direction of Mohammad Eusof Babu, who is also the Chairman and Managing Director of the Eusof set of Companies, a diverse set of industries, in accordance with the Disinvestment policy of the Government of the People's Republic of Bangladesh. There were 25,000 spindles in the Mills when it was taken over. Following the takeover of the Mills, an additional 10,000 spindles were installed, bringing the total number of spindles under the huge BMRE impact to 35,000.

2.3TOP MANAGEMENT OF THE COMPANY

Name	Designation
Mohammad Eusof Babu	Chairman & Managing Director
Md. Mohsin Ali	Deputy Managing Director
Mohammad Mosharof Hossain	Chief Financial Officer
Md. Naim Islam	Deputy General Manager (Marketing)
Md. Sahidul Islam	Deputy General Manager (Commercial)

2.4 Organizational Structure



2.5 Functional Departments of Madaripur Spinning Mills (Pvt) Limited

With a focus on producing cotton yarn, Madaripur Spinning Mills (Pvt.) Limited is a fully operational textile manufacturing facility. The organization is organized into a number of functional departments, each with specific tasks and responsibilities, to guarantee smooth operation and effective coordination. The following are the main departments:

1. Production Department

The production department, which is in charge of the entire spinning process, is the mill's main operational unit. Through a number of crucial processes, including as blow room operations, carding, drawing, roving, and spinning, it is in charge of turning raw cotton into finished yarn. This division is essential to preserving a steady flow of production while making sure that quality requirements are respected at every stage. Important duties include keeping an eye on daily production activities, enforcing quality control procedures, maintaining and repairing machinery on a regular basis, and making sure that workplace safety laws are strictly followed. In order to effectively and consistently meet client demand, the department is also responsible for reaching production targets.

2. Procurement and Store Department

Apart from maintaining stocked inputs/raw materials, and spares to ensure a continuous flow to meet demand and supply requirements, the function of procurement & store runs involves sourcing spares, chemicals, cotton, and machine accessories. This department helps safeguard the supply chain by selecting and bargaining with reliable suppliers, setting guidelines for procurement timeframes, and making timely orders based on production needs. It also maintains accurate inventory and inventory levels, and ensures all product is received correctly and stored to maintain quality and usability.

3. Marketing and Sales Department

The marketing and sales department plays a vital crucial role in promoting the company's yarn products and fostering strong relationships with both domestic and overseas clients. This department manages the delivery schedules, product pricing, and ensures customer service is top-notch. Its main duties are to process customers' orders, to acquire new customers, to develop market and competitor information for new business opportunities, to organize the shipment of the product, and to provide after-sales support to maintain or improve the satisfaction level of clients and to build long-term business relationships.

4. **Finance and Accounts Department**

The Finance and Accounts Department is in charge of managing the company's finances, including budgeting, tax compliance, reporting, and financial management. It is essential for cost accounting, payroll preparation, accurate financial record keeping, and supporting internal and external financial audits. The usage of an Accounting Information System (AIS), which enables real-time tracking and administration of financial data, is an essential feature of this department's activities. In order to guarantee financial stability and regulatory compliance, core duties include keeping ledgers and financial records, managing accounts payable and receivable, creating financial statements, creating budgets, and keeping a careful eye on spending.

5. Human Resource (HR) and Administration Department

Administration and HR An administration and HR department is responsible for managing the organization's personnel and making sure that the workplace maintains a good atmosphere, is effective and complies with laws and regulations. Its duties encompass recruitment, welfare management, staff induction and training and development programmers, as well as conducting performance reviews. Furthermore, the department is crucial in maintaining order in the business and ensuring that employees are following the rules and company rules and regulations. Administration of payrolls and leave records of employees, schedule of skill development trainings, appraisal of the performance of the employees, redressal of grievances and disciplinary action etc., are other important functions, which contribute to make a productive and legally compliant work culture.

6. Quality Control (QC) Department

The Quality Control (QC) Department is one of the key players in taking the yarn produced to the customer, as it is the department that ensures that the yarn produced meets all quality standards established. It ensures product quality stability through rigorous checks at every stage of production. The department tests critical yarn properties, including strength, twist, and count, to ensure they meet customer requirements and industry norms. It also applies automatic remediations when exceptions are found, and enforces ISO + other regulatory standards to maintain the corporate reputation for high quality and consistency.

7. IT and AIS Support Department

The IT and AIS Support department is responsible for the IT network of the company including the AIS (Accounting Information System) and any other IT infrastructure. It is cabinets like this one that provide prompt technical support and system updates so that the digital operations of all departments continue to function. The primary responsibilities of this position are to maintain AIS hardware and software, troubleshoot network and system issues, implement data backup plans, and ensure that cyber security practices are in place to protect private information. The department also supports a diverse range of software needs for other departments to ensure successful and safe digital operations across the mill.

8. Compliance and Safety Department

Is responsible for the factory's compliance with international obligations such as (ISO or WRAP or who ere applicable) and in compliance with national labor laws, environmental regulations, and government policies. It has played a key role in promoting safe workplaces, environmental stewardship, and ethical labor practices. Among their key tasks are upkeep of workplace health and safety requirements, ensuring that environmental regulations are met, coordinating internal and external audits, and enforcing labor laws. The department also oversees corporate social responsibility (CSR) activities, underlining the company's dedication to ethical and sustainable business. To ensure efficiency, cost accuracy, as well as customer satisfaction, all departments work with one another. In order for Madaripur Spinning Mills to prosper as a whole integrated departments -especially AIS and internal control -that are crucial.

2.6 Core Business Activities

The main business of Madaripur Spinning Mills (Pvt.) Limited is the production and distribution of premium cotton yarn, an essential component of the clothing and textile industries. The efficient conversion of raw cotton into completed yarn products using cutting-edge technologies is the company's main commercial activity. These fundamental tasks are carried out in accordance with client expectations, market demands, and industry standards.

Below are the main business activities that drive the operations of the company:

1**. Cotton Procurement and Raw Material Management**

Finding raw cotton, both domestically and internationally, based on price and quality, is the first step in the business process. To support continuous manufacturing, the procurement department makes sure the raw materials fulfill quality standards and are delivered on schedule.

2. Spinning Operations

The company's production operation revolves upon this. The raw cotton is turned into yarn by a number of steps, including blow room, carding, drawing, combing, roving, and spinning. High-speed automated spinning machines are used in the production to reach volume goals and ensure consistency.

3. Yarn Finishing and Packaging

To guarantee quality and uniformity, the yarn is examined, cleared, and wound after spinning. Following completion, the yarn is branded, packaged safely, and ready for shipping in accordance with customer specifications.

4. Quality Control and Testing

One of the most important aspects of the business is maintaining yarn quality. To guarantee adherence to global standards, the Quality Control (QC) team conducts laboratory testing on a number of factors, including yarn count, strength, and twist, and keeps an eye on every step of manufacturing.

5. Sales and Distribution

The business sells its yarn to both domestic and foreign consumers as well as to makers of fabrics and clothing. To guarantee prompt fulfillment and client pleasure, the marketing and sales department oversees pricing, order processing, client communications, and delivery logistics.

6. Customer Service and After-Sales Support

The business offers after-sales support to preserve good customer relations by responding to customer concerns and making sure the yarn satisfies requirements. This promotes recurring business and helps to establish trust.

7**. Inventory and Supply Chain Management**

It is crucial to manage raw materials and completed goods inventories effectively. The business tracks inventory levels, maximizes warehouse space, and guarantees effective material flow using an internal system that is partially controlled by AIS.

8. Financial and Accounting Operations

The company's Accounting Information System (AIS) is used to record, process, and evaluate all business transactions. This helps with payroll, taxes, expense control, budgeting, and regulatory compliance.

Internal control systems assist and link these fundamental operations to guarantee financial accuracy, operational effectiveness, and quality control. The ability of the business to streamline these processes while retaining the flexibility to adjust to changes in the market and in technology is crucial to its success.

Chapter 3: Internship Role and Responsibilities

3.1 Role and Responsibilities

While interning in Madaripur Spinning Mills (Pvt.) Limited, I was mainly engaged with the Accounts and Finance Department. I was responsible for helping the accounts department in their daily operations, familiarizing myself with the practical use of QuickBooks, and seeing firsthand internal control processes. Specifically, my role covered:

- Recording financial transactions in QuickBooks.
- Assisting in the preparation of vouchers and journal entries.
- Supporting bank reconciliation activities.
- Observing and understanding the company's internal control procedures.
- Helping with payroll processing and employee attendance record verification.
- Assisting in inventory and fixed asset record maintenance.
- Preparing draft reports and documentation when required by the supervisor

3.2 Why the roles and responsibilities?

The responsibilities were relevant to the internship program and the Accounts Department. My experience with all of this is that because the organization is so QuickBooks-heavy for finance, I was exposed to the software functionally and out of necessity. My responsibilities allowed me to:

- Get practical experience with industry-standard accounting software.
- Learn how various internal controls function in a textile manufacturing company.
- Assist the finance team with the daily operations.
- Gain professional competencies between classroom knowledge and applied practice.

By doing so, my position was that of a supporting team player assisting senior accountants and managers, and improving my professional skills.

3.3 Examples of Tasks

A few examples of the tasks that I worked on during the internship are:

- Voucher Making – I created and checked numerous formats of vouchers, such as cash payment vouchers, bank deposit vouchers, etc., which developed my understanding of documentation.
- QuickBooks Data Entry– I posted purchases and sales transactions to QuickBooks and ran trial balances and ledger reports, as monitored by senior staff.
- Bank Reconciliation – Coordinated the computerized matching of the Company's bank statements with the internal accounting records, thus reconciling bank account balances for accuracy and compliance.
- Payroll Support – I assisted in validating employee attendance records in the payroll system for salary payment.
- Stock Proof – I also witnessed the taking of stock. I saw how the stocks of raw materials and finished goods were being recorded, which gave me an insight into inventory management for a manufacturing firm.
- Documentation Assistance – I assisted in drafting up interim financial reports and summaries that would then get reviewed by my boss.

In these roles, I gained technical skills, teamwork, regard for detail, and time management skills vital for a career in accounting and finance.

Chapter 4: Internal & Financial Control System

4.1 financial control

Definition:

Financial control refers to the management systems, procedures, and tools used by an organization to monitor, measure, and guide its financial performance, reduce financial risks, and ensure the efficient and lawful use of financial resources.

At Madaripur Spinning Mills (Pvt.) Limited, financial control is a top-down process initiated and monitored by the Board of Directors and executed by the finance department under the leadership of the Chief Financial Officer (CFO). The system is designed to ensure financial accuracy, budget discipline, asset safeguarding, and regulatory compliance.

4.2 Core Objectives of Financial Control at MSMPL:

- Ensure accurate and timely financial reporting
- Maintain strict budget discipline and spending control
- Protect company assets from misuse or misappropriation
- Ensure compliance with tax, labor, and financial regulations
- Enable informed decision-making by providing reliable financial data

4.3. Key Financial Controls:

1. Budgetary Control

    - ➢ Each department prepares an annual budget aligned with the company's strategic objectives.
    - ➢ Budgets are reviewed and approved by top management and monitored monthly.
    - ➢ Any deviation from budget (variance) is investigated with corrective actions.

2. Standard Operating Procedures (SOPs)

    - ➢ Every financial transaction must follow documented SOPs.

- Examples include cash payments, supplier payments, payroll disbursements, and journal entries.

3. Cash and Bank Controls

- Petty cash is handled by a designated cashier and checked weekly.
- Bank transactions are reconciled monthly with bank statements.

4. Accounts Payable & Receivable Management

- Vendor invoices are checked against purchase orders and goods received notes before payment.
- Aging reports are generated monthly to monitor overdue customer payments.

5. Asset Management Controls

- Fixed assets are tagged, recorded in the AIS, and physically verified annually.
- Capital expenditures require prior approval and documentation.

6. Internal Audit and Periodic Reviews

- The internal audit team reviews key financial areas quarterly.
- Findings are reported directly to senior management and corrective actions are tracked.

7. AIS-Based Financial Monitoring

- Real-time financial data is captured and monitored through the Accounting Information System (Tally ERP/custom modules).
- Features like audit trails, automated approvals, and restricted access enhance transparency.

8. Taxation and Statutory Compliance

- The finance team ensures regular filing of VAT, income tax, and regulatory returns.
- A checklist system ensures deadlines for compliance are met, avoiding penalties.

9. Management Reporting System (MRS)

- Weekly and monthly financial dashboards are generated for the CEO and executive team.
- These include: revenue trends, cost summaries, profit analysis, and liquidity ratios.

4.4. Financial Control Policy Highlights

Madaripur Spinning Mills (Pvt) Limited has established several key financial control policies to ensure transparency, accuracy, and accountability in its financial operations. Budget monitoring is conducted on a monthly basis using Budget vs Actual Reports, overseen by the Finance Department to ensure planned expenditures align with actual spending. For cash payments, the company utilizes a Petty Cash Register along with mandatory managerial sign-offs, maintained daily or weekly by the Cashier and Accounts team to prevent misuse of funds.

Bank reconciliation is performed monthly by the Senior Accounts Officer through meticulous matching of bank statements with internal records, ensuring accurate financial reporting and detection of discrepancies. In managing accounts receivable, the Sales and Finance Teams jointly review weekly aging reports and conduct follow-ups to ensure timely collection and minimize bad debts.

To safeguard and track company assets, a Fixed Asset Register is maintained through barcode tagging and continuous monitoring using the Accounting Information System (AIS), with oversight from the Audit and IT Support Teams on an ongoing and yearly basis. Payroll processing is tightly controlled by linking attendance data to AIS-generated pay slips, handled monthly by the HR and Finance Departments to ensure fair and timely compensation.

Finally, tax submission is carried out either monthly or quarterly via government portals, accompanied by audit logs to ensure compliance with legal obligations. This critical responsibility is managed by the Tax Officer and Chief Financial Officer (CFO), reinforcing regulatory adherence and organizational integrity.

4.5. Financial Control Benefits at MSMPL

The financial control system at MSMPL has brought several significant benefits to the company. One of the key advantages is the reduction in fraud risk, achieved through the implementation of multi-tier approval processes and rigorous audit checks. This layered control mechanism ensures that transactions are thoroughly verified before approval, minimizing opportunities for fraudulent activities. Additionally, MSMPL has improved its cash flow management by maintaining strict control over payables and receivables, allowing for better liquidity and financial stability. The integration of the Accounting Information System (AIS) has enhanced the accuracy of financial reporting, ensuring that management receives reliable and timely data for decision-making. The company has also demonstrated strong regulatory compliance, maintaining a clean record with zero penalties over the past three years. Furthermore, budgetary discipline has been strengthened, contributing to an estimated 8% improvement in cost efficiency as indicated by internal audit findings. Overall, these financial control benefits have helped MSMPL operate more securely and efficiently.

4.6 Definition of Internal Control

Internal control at Madaripur Spinning Mills (Pvt.) Limited is a structured system of checks and balances designed to safeguard assets, ensure accurate financial reporting, comply with laws, and support operational efficiency. MSMPL follows the COSO (Committee of Sponsoring Organizations) framework

Key Components (with MSMPL Context):

1. Control Environment

   - Ethical leadership is promoted by top management.
   - A well-defined organizational structure clearly separates responsibilities.
   - Employees are trained to follow the company’s policies and code of conduct.

2. Risk Assessment

   - Risk identification is conducted annually in a formal meeting by departmental heads.
   - Operational, financial, and compliance risks are categorized and prioritized.

3. Control Activities

- Every transaction requires dual-level approval (e.g., purchase requests must be approved by the department manager and finance head).
- Assets are physically safeguarded (locked warehouses, camera monitoring).
- Mandatory reconciliations and financial reviews occur monthly.

4. Information & Communication

- Financial data and policies are shared internally via the company intranet.
- All departments use AIS for transaction input, minimizing manual communication.

5. Monitoring

- Internal audits are conducted quarterly by a dedicated internal audit team.
- Audit results are reviewed by top management and corrective actions are tracked.

4.7 Internal Control System & Process at MSMPL

MSMPL uses a multi-layered internal control system involving preventive, detective, and corrective controls integrated into all departments. Below is an in-depth breakdown:

A. Authorization & Approval System

Area	Control Activity	Responsible Person
Purchase	Requisition raised → Checked by Procurement → Approved by DGM	Dept. Manager, Procurement Officer, DGM
Sales	Orders verified against credit limits	Sales Officer, Finance Dept.
Payroll	Timesheets reviewed before disbursement	HR Officer, Finance Officer

B. Segregation of Duties (SOD)

- Procurement: Request → Approval → Purchase → Goods Receipt → Payment (done by separate people).
- Cash Handling: Cashier prepares → Accountant records → Manager approves.

4.8 Technology in Internal Controls

In today's digital age, technology plays a pivotal role in strengthening internal controls by automating processes, reducing human error, ensuring data accuracy, and increasing transparency. At Madaripur Spinning Mills (Pvt.) Limited (MSMPL), technology has been embedded within several core business functions to enhance the effectiveness of internal control systems.

A. Automation of Controls

Automation has significantly reduced reliance on manual processes and enhanced consistency in control activities.

Key Implementations at MSMPL:

1. QuickBooks for Financial Processes
    - All core accounting functions—including journal entries, ledger management, payroll, and bank reconciliation—are processed through QuickBooks.
    - Approval workflows are built into the system. For example, purchase bills must be reviewed and approved digitally by both the department head and CFO before payment is issued.

2. Voucher Automation and Reference Matching
    - All payment vouchers, purchase orders, and sales invoices are digitally generated and uniquely coded for traceability.
    - QuickBooks automatically matches payment entries to invoices and flags inconsistencies.

3. Inventory Tracking System
    - The store department uses an integrated inventory system where goods received are immediately entered into the AIS.
    - Inventory levels are updated in real time, and reorder alerts are generated automatically based on minimum quantity thresholds.

4. Attendance & Payroll Linkage

    - Biometric attendance machines are directly linked to the payroll system in QuickBooks.
    - Overtime, late arrivals, and absences are automatically calculated and reflected in the monthly salary sheets.

B. Cybersecurity Controls

To protect sensitive financial and operational data from unauthorized access or cyber threats, MSMPL has implemented foundational IT controls. These controls ensure data integrity, confidentiality, and availability.

IT-Related Internal Controls at MSMPL:

1. Role-Based Access Control (RBAC)

    Role-Based Access Control (RBAC) is implemented to ensure that each employee is assigned system permissions aligned with their specific job functions. For example, a cashier is authorized to enter transactions but does not have the authority to approve payments, while an HR executive can manage payroll processes but is restricted from altering journal entries. This segregation of duties is a critical control measure that helps minimize the risk of internal fraud and enhances overall system security.

2. Password Management & User Authentication

    All system users at MSMPL are required to maintain strong and unique passwords, which must be updated every 60 days to enhance security. Administrative access is strictly limited to senior IT personnel, and their activities are regularly audited to prevent unauthorized use and ensure compliance with security protocols.

3. Data Encryption & File Protection

    Financial records and backups at MSMPL are securely stored using encrypted file formats to protect sensitive information from unauthorized access. Additionally, when sending sensitive documents such as reports or payslips via email, PDF password protection is applied to ensure confidentiality and prevent data breaches.

4. System Backup & Recovery

   The Accounting Information System (AIS) data at MSMPL is regularly backed up to ensure data security and availability. Weekly backups are stored on external drives, while monthly backups are securely maintained in cloud storage. Although a basic disaster recovery plan has been established to support data restoration in case of system failure, it has not yet obtained ISO certification

5. Firewall, Antivirus & Network Monitoring

   All computers connected to the Accounting Information System (AIS) at MSMPL are safeguarded with up-to-date antivirus software and protected by a centralized firewall to prevent unauthorized access and cyber threats. Additionally, internet access on accounting terminals is restricted to minimize exposure to external risks, thereby strengthening the overall network security and ensuring the integrity of financial data.

C. Integration with Other Business Systems

One of the key strengths of MSMPL's internal control framework is the effective integration of its business systems with QuickBooks and the Accounting Information System (AIS). This seamless digital connectivity enhances efficiency, accuracy, and transparency across all major departments. For instance, the Accounting and Procurement systems are synchronized so that when raw materials are procured, the transactions are automatically recorded under accounts payable, and payments are only permitted after verifying purchase orders with goods received notes (GRNs). In the Accounting and Inventory linkage, any movement of goods—such as issuing yarn for production—is instantly reflected in both inventory records and cost of goods sold (COGS) calculations. Similarly, Accounting and HR systems are integrated, allowing attendance data from the biometric system to feed directly into QuickBooks, which then calculates gross pay, deductions, and tax liabilities automatically. Finally, the Accounting and Sales systems are connected to ensure that every sale results in automatic invoice generation, receivable posting, and inventory adjustment. The system also tracks collection status and generates real-time aging reports, enhancing cash flow monitoring and customer account management.

4.9 Fraud Prevention and Detection

Fraud prevention and detection are critical components of the internal control environment at Madaripur Spinning Mills (Pvt.) Limited (MSMPL). The company recognizes that the risk of occupational fraud exists in all operational areas—especially in finance, procurement, payroll, and inventory—and has therefore developed a multi-layered system to reduce vulnerabilities and ensure early detection.

A. Fraud Risk Management Framework

MSMPL's approach to managing fraud risk is proactive, based on the principles of risk identification, prevention, monitoring, and corrective action. The system integrates both technology-based controls and human supervision, aligned with COSO’s internal control model.

Key Practices:

- Annual Risk Assessments: The finance and internal audit teams conduct yearly fraud risk assessments to identify high-risk areas, such as vendor payments, payroll processing, and material stock movements.
- Segregation of Duties (SOD): High-risk processes are divided among different personnel. For example, the person approving purchases is not the same person who records them in the AIS or processes the payment.
- Audit Trail Monitoring: QuickBooks generates automatic audit logs that record user activity, changes in transaction data, and unauthorized access attempts.

B. Anti-Fraud Procedures and Policies

MSMPL has implemented a variety of procedural and cultural safeguards to discourage unethical behavior and strengthen organizational accountability.

1. Code of Ethics and Conduct

- All employees are required to sign a code of conduct upon hiring, which clearly outlines the company's zero-tolerance policy on fraud, bribery, and financial misstatement.
- Breaches of this code are subject to disciplinary action, including termination and legal proceedings.

2. Whistleblower Mechanism

- Employees can confidentially report suspicious activities or misconduct via a designated email address or through sealed suggestion boxes managed by the HR department.
- Reports can be anonymous, and retaliation against whistleblowers is strictly prohibited by company policy.

3. Anti-Fraud Awareness Training

- Periodic workshops and team briefings educate employees
- How to identify red flags of fraud
- Their personal responsibility in maintaining ethical standards
- How to report concerns through the correct channels

4. System-Based Fraud Controls

- Duplicate transaction prevention: QuickBooks prevents duplicate bill or voucher entries by using unique reference numbers.
- Payment approvals: Every financial disbursement requires dual-layer electronic authorization.
- Transaction limits: Automated controls flag or block transactions exceeding predefined financial thresholds.

C. Incident Handling and Investigation Process

While MSMPL has not experienced any major fraud cases during the reporting period, a formal fraud response protocol is in place to ensure prompt and thorough action in the event of suspicious activity.

Steps in the Fraud Handling Process:

1. Detection
    - Suspicious transactions may be flagged by internal audit, software alerts in AIS/QuickBooks, or whistleblower reports.

2. Preliminary Review
    - The audit or compliance team verifies whether the issue appears to be a procedural error or intentional misconduct
3. Formal Investigation
    - A multi-disciplinary team (Audit, HR, and Legal) conducts a formal inquiry.
    - Employee interviews, document reviews, and system log analysis are used as evidence.
4. Immediate Actions
    - System access may be temporarily suspended for involved individuals.
    - Financial exposure is calculated and reported to senior management.
5. Disciplinary and Legal Consequences
    - Based on investigation results, the employee may face disciplinary measures including dismissal.
    - In severe cases, MSMPL cooperates with law enforcement authorities for prosecution.
6. Control Enhancement
    - Internal controls related to the incident are reviewed and revised to prevent future recurrence.
    - Lessons learned are shared with department heads and staff during training

4.10 SWOT Analysis

Madaripur Spinning Mills (Pvt.) Limited's internal strengths and weaknesses are determined by the SWOT analysis, which also identifies the external opportunities and threats that have an impact on the company's operations. Strategic planning and decision-making for future growth and sustainability are aided by this analytical tool.

Strengths (S):

- Modern Machinery and Technology: The mill's automated systems and contemporary spinning equipment enable the production of high-quality yarn and smooth operations.
- Skilled Workforce: The company's skilled engineers, technicians, and employees make a substantial contribution to the effectiveness of production and the caliber of its output.

- Integrated Accounting Information System (AIS): Maintaining accurate financial records, assisting in decision-making, and enhancing internal control procedures are all made possible by well-structured AIS.
- Strong Supplier and Buyer Network: Supply chain stability is ensured by the company's long-standing connections with yarn purchasers and raw material suppliers.
- Quality Assurance System: Committed quality control processes guarantee that goods fulfill global standards, improving the business's standing in the marketplace.

Weaknesses (W):

- Limited Product Diversification: The company's market reach is constrained by its primary production of cotton yarn and lack of diversification into synthetic or blended yarns.
- Dependence on Imported Raw Materials: Since a sizable amount of raw cotton is imported, the business is susceptible to changes in global prices and currency rates.
- Manual Dependencies in Some Areas: Despite the usage of AIS, several departments continue to rely on manual procedures, which leads to inefficiencies and raises the possibility of mistakes.
- Inadequate Marketing Strategy: The business does not have a strong brand presence in cutthroat international marketplaces, and its marketing activities are very restricted.
- Lack of Research and Development (R&D): The business lacks a dedicated R&D department for innovation, process enhancement, or the creation of new products.

Opportunities (O):

- Growing Demand for Textile Products: The growing demand for yarn and textile goods both domestically and abroad is creating new business opportunities.
- Scope for Export Expansion: The business can increase its export base, particularly in Europe and Asia, by fulfilling international requirements and certifications.
- Adoption of ERP Systems: Real-time decision-making and operational efficiency may be further improved by integrating AIS with ERP (Enterprise Resource Planning).
- Government Support for the Textile Sector: The government of Bangladesh supports the spinning and textile industries with tax breaks, financial subsidies, and low-interest loans.

Threats (T):

- Volatile Cotton Prices: Global cotton price fluctuations directly affect production costs and profit margins.
- Intense Industry Competition: Bangladesh's textile market is fiercely competitive, with numerous domestic and foreign companies vying for customers based on both price and quality.
- Energy Crisis and Power Outages: Production schedule disruptions and cost increases can result from irregular electricity supplies or growing energy expenses.
- Regulatory and Environmental Compliance Risks: Additional operating burdens could result from stricter labor compliance and environmental standards.
- Political and Economic Instability: Business operations and international trade may be impacted by any significant political upheaval, inflation, or currency devaluation.

Madaripur Spinning Mills (Pvt.) Ltd.'s strategic perspective is given by this SWOT analysis, which also helps pinpoint areas for development and future expansion. The business can put itself in a more competitive position in the spinning sector by utilizing its possibilities and strengths while correcting its shortcomings and reducing its dangers.

Chapter 5: Accounting Information System (AIS) at MSMPL & QuickBooks

5.1 Introduction to AIS

AIS is a structure that a business uses to collect, store, manage, process, retrieve, and report its financial data so that it can be used by accountants, consultants, business analysts, managers, and auditors.

5.2 AIS Components

Component	**Description**
People	Accounts officers, managers, IT staff, auditors
Procedures and Instructions	Transaction recording, voucher processing, reporting guidelines
Data	Financial records, inventory data, payroll, purchase orders
Software	Tally ERP, customized software]
IT Infrastructure	Desktop computers, servers, networking devices

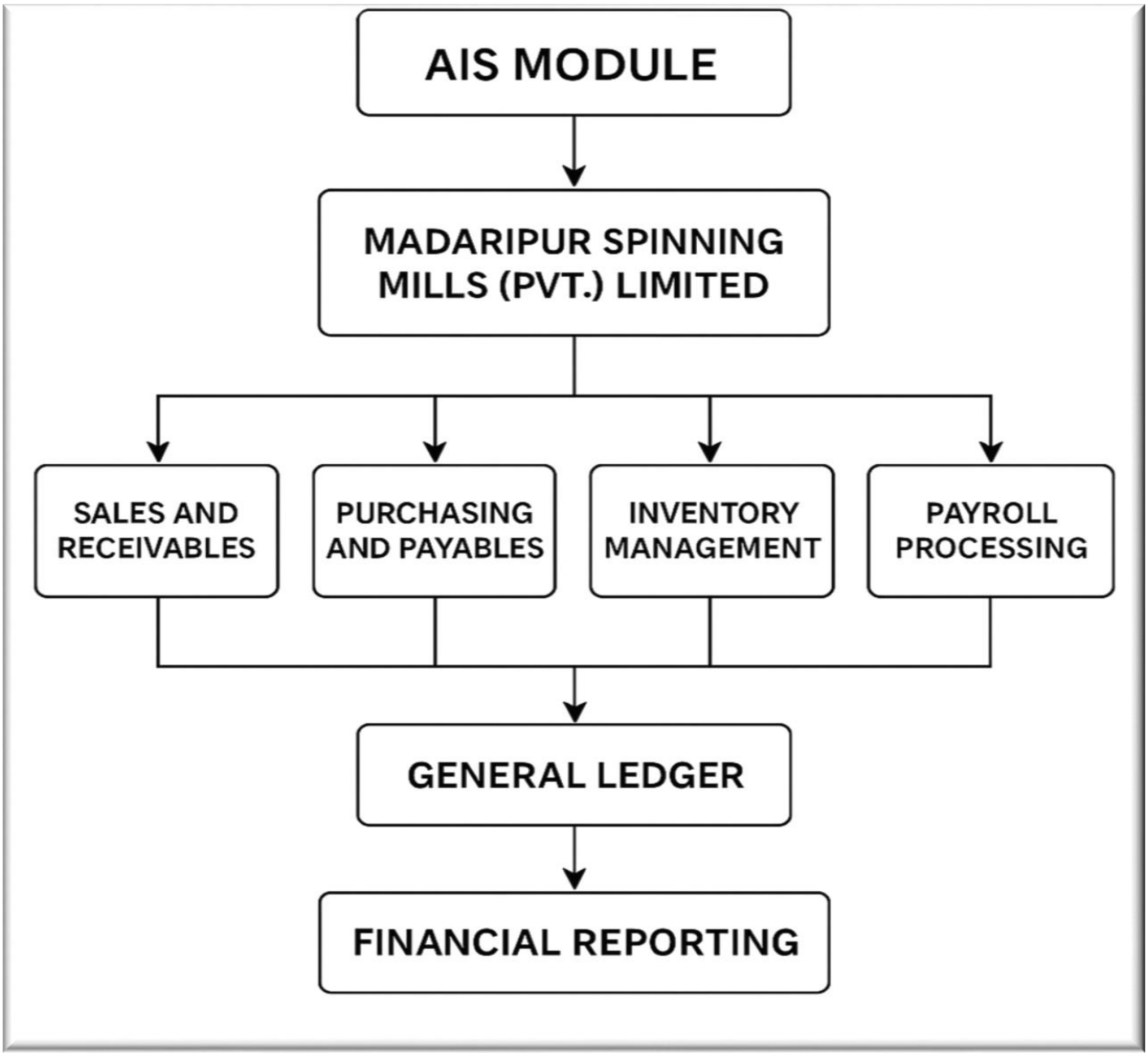
5.3 Importance of AIS

- Improves the accuracy and speed of financial reporting
- Enhances decision-making with real-time data
- Supports compliance with financial regulations
- Reduces fraud through integrated internal controls
- Facilitates operational efficiency

5.4 Key Features of AIS

- Automation: Reduces manual work and increases processing speed.
- Data Security: Role-based access and backup systems to secure sensitive information.
- Scalability: Can grow with business needs.

5.5 AIS Module Diagram



5.6 Role of AIS in Business Operations

At Madaripur Spinning Mills (Pvt.) Limited (MSMPL), the Accounting Information System (AIS) plays a critical role in supporting, recording, and monitoring core business functions. It not only facilitates the financial reporting process but also enhances operational coordination across departments.

Strategic Functions of AIS at MSMPL:

1. Centralized Financial Data Management

   - AIS serves as a single source of truth for financial transactions, reducing duplication and improving accuracy.
   - It integrates information from inventory, procurement, payroll, and sales into a unified ledger system.

2. Supports Decision-Making

   - Real-time access to financial data enables management to make informed decisions regarding budgeting, procurement, and pricing.
   - Reports such as cash flow statements, receivable aging, and profitability by product line are generated instantly.

3. Improves Operational Efficiency

   - Reduces manual workload through automation of tasks such as voucher generation, payment tracking, and inventory management.
   - Enhances coordination between departments by synchronizing financial and non-financial data.

4. Regulatory Compliance and Reporting

   - Automates VAT calculation, TDS deduction, and tax filings.
   - Prepares audit-ready reports and maintains digital trails to meet government and industry regulations.

5. Internal Control and Fraud Prevention

   - AIS enforces role-based access control and logs every transaction, making fraud attempts traceable and minimizing internal misuse.

5.7 Evaluation of AIS Effectiveness at MSMPL

A review of the Accounting Information System (AIS) at Madaripur Spinning Mills Pvt. Ltd. (MSMPL), particularly focusing on the QuickBooks implementation, reveals that the system is functioning effectively in several key areas, though there are some limitations. One of the most notable strengths is accuracy—transactional data is consistently recorded and reconciled, significantly reducing the risk of human error. The speed of financial operations has also improved, with processes such as payroll, invoice generation, and bank reconciliation being completed far more quickly than with previous manual methods.

Another important advantage is the system's audit support. QuickBooks provides built-in audit trails and allows for document attachments, making it easier to support both internal and external audit requirements. In terms of security, MSMPL has implemented basic access controls, data encryption, and regular backup procedures to protect sensitive financial information. Finally, user adoption has been strong among core staff members in the finance and HR departments, who have become proficient in using QuickBooks and the broader AIS tools. These strengths contribute significantly to the overall effectiveness and reliability of the company's financial operations.

5.8 Future Trends in AIS

As Madaripur Spinning Mills Pvt. Ltd. (MSMPL) continues to grow, embracing emerging trends in Accounting Information Systems (AIS) will be essential to staying competitive, improving efficiency, and supporting long-term scalability. One of the most significant shifts is the move toward **cloud-based AIS** platforms such as QuickBooks Online or Zoho Books. These platforms offer greater flexibility through remote access, enhanced scalability, and improved data security—features increasingly necessary in today's dynamic business environment.

Artificial Intelligence (AI) and Machine Learning are also poised to transform AIS functionality at MSMPL. These technologies can automate financial forecasting, identify risks, and streamline budgeting processes. Machine learning, in particular, can monitor data in real time, detect anomalies, and suggest corrective actions—helping the company to respond proactively rather than reactively.

Moreover, mobile accessibility is becoming an important factor for efficient management. With mobile-compatible AIS dashboards, managers will be able to approve transactions, monitor key performance indicators (KPIs), and track payment status from anywhere, increasing overall agility. Another important development is the integration of AIS with IoT and smart manufacturing machines. By linking spinning equipment to the system, MSMPL can automatically collect real-time production data, calculate manufacturing costs more accurately, and reduce material waste.

Cybersecurity is also expected to advance significantly. Future AIS platforms will incorporate tools like blockchain-based ledgers, two-factor authentication (2FA), and intelligent threat detection to ensure financial data remains secure. Lastly, enhanced **analytics and visualization** features will enable MSMPL to access real-time dashboards, monitor KPIs more effectively, and utilize predictive analytics for more strategic decision-making.

By staying ahead of these technological trends, MSMPL can transform its AIS into a powerful tool for operational excellence and informed growth.

5.9 What is QuickBooks:

QuickBooks is an accounting software developed by Intuit. It is designed primarily for small to medium-sized businesses to manage income, expenses, payroll, inventory, and financial reporting. It is available in both desktop and cloud-based (online) versions.

MSMPL uses QuickBooks as part of its broader Accounting Information System (AIS). QuickBooks is integrated primarily for financial accounting, payroll, invoicing, and inventory management. It is linked with other operational departments to provide real-time financial information, reduce errors, and streamline accounting tasks.

Why MSMPL Uses QuickBooks

Madaripur Spinning Mills uses QuickBooks because it:

- Reduces manual bookkeeping
- Improves financial accuracy
- Supports multi-user access with permission levels
- Generates real-time reports

5.10 Implementation Process of QuickBooks at MSMPL

Phase	Description
1. Planning	The finance and IT departments identified which accounting functions would be managed using QuickBooks (GL, AR, AP, Payroll).
2. Software Setup	QuickBooks Desktop version was customized to fit the textile business model of MSMPL. Company profile, tax settings, chart of accounts, setup were completed.
3. Data Migration	Historical data from manual ledgers and Tally ERP was imported into QuickBooks using Excel templates. This included customer records, vendor balances, opening inventory, and trial balances.
4. User Training	Employees in the Finance, Sales, and Inventory departments were trained by IT support on how to use QuickBooks modules relevant to their roles.
5.Security Configuration	Role-based user access was set up to control who can view, edit, or approve transactions (e.g., cashier can enter data, but only CFO can approve payments).

5.11 Core Features of QuickBooks

Feature	Description
General Ledger (GL)	Records all financial transactions (journal entries, income, expenses). Acts as the core accounting record.
Accounts Payable (AP)	Manages supplier bills, due payments, purchase orders, and expenses.
Accounts Receivable (AR)	Tracks customer invoices, credit terms, due balances, and collections.
Bank Reconciliation	Matches bank statements with internal records to ensure accuracy and prevent fraud.
Payroll Management	Calculates salaries, deductions, taxes, and generates pay slips.
Inventory Tracking	Monitors stock levels, updates goods received or sold, and tracks valuation.
Budgeting & Forecasting	Allows users to create monthly/annual budgets and compare with actual data.
Tax Management	Calculates VAT, TDS, and prepares tax reports for compliance.

5.12 How Employees Use QuickBooks

At Madaripur Spinning Mills (Pvt) Limited, employees across various departments actively utilize QuickBooks to support efficient and accurate financial management. The **Accounts Officer** is responsible for entering daily journal entries, preparing payment vouchers, recording supplier bills, and monitoring due payments to ensure all financial transactions are properly documented and tracked. The **Inventory Manager** uses the inventory module to log incoming raw materials and outgoing finished goods, maintaining accurate stock levels and supporting smooth production and delivery processes.

The **Sales Team** plays a key role in revenue tracking by generating sales invoices, applying customer-specific discounts, and monitoring accounts receivable to ensure timely collections. Meanwhile, the **HR/Payroll Officer** inputs employee attendance into the system, calculates salaries and statutory deductions, and processes monthly payroll through the integrated QuickBooks payroll module.

The **Auditor or Internal Control Officer** utilizes QuickBooks to review audit trails, verify general ledger (GL) transactions, and cross-check system-generated data against physical documents to ensure compliance and internal control integrity. Lastly, the **Finance Manager (CFO)** oversees the overall financial operations by approving transactions, generating key financial statements, reviewing budgetary performance, and conducting financial forecasting for strategic planning. This coordinated use of QuickBooks across roles ensures accurate data entry, internal transparency, and informed decision-making throughout the organization.

5.13 How Customers Interact with QuickBooks (Indirectly)

Customers do not access QuickBooks directly, but their data is **handled and processed** through the system in the following ways:

1. Sales Orders: When a customer places an order, it is recorded in QuickBooks by the sales department.
2. Invoicing: Customers receive computer-generated invoices directly from QuickBooks via email or print.

3. Payments: Customer payments are recorded against specific invoices, and statements of account can be sent upon request.
4. Receipts: System-generated payment receipts are issued once transactions are completed.
5. Customer Statements: Monthly account summaries can be shared, showing all transactions processed in QuickBooks.

5.14 QuickBooks Modules with Examples

Module	**Description**	**Real-Life Example at MSMPL**
Customers & Sales	Create and track invoices, sales receipts, and payments	Sales to Liz Fashion Industries Ltd. recorded, and invoice generated
Vendors & Purchases	Record bills, track payables, and print checks	Purchase raw cotton from Indian supplier, bill logged in AP
Banking	Import statements, record deposits, reconcile accounts	Monthly reconciliation of Dutch-Bangla Bank account
Employees & Payroll	Manage salaries, overtime, bonuses, and tax	Salary generation for factory workers with TDS calculation
Inventory	Track inventory quantity, reorder points, and costs	Store manager updates yarn dispatch and raw material stock
Reports	Generate financial statements and analysis reports	CFO downloads Profit & Loss report for board presentation

5.15 Benefits of QuickBooks Implementation at MSMPL

- User-Friendly Interface: Even non-technical staff can handle entries with minimal training.
- Time-Saving: Automates journal entries, payroll, and bank reconciliations.
- Improved Accuracy: Reduces human error and ensures consistency across departments
- Real-Time Reports: Helps management make quicker, data-driven decisions.
- Audit-Ready: Maintains proper audit trails and historical records.
- Better Customer Management: Keeps track of client payments, invoices, and due balances

5.16 Security & Control in QuickBooks

- User Roles: Finance staff, auditors, HR, and managers each have specific roles with restricted access.
- Audit Trails: Every transaction logs who made the change and when.
- Backup Options: Company file can be backed up on cloud or external drives regularly.

5.17 QuickBooks vs. Full ERP Systems

1. Cost

- QuickBooks: Low to moderate pricing, ideal for budget-conscious businesses
- ERP: Very high implementation and maintenance costs

2. **Complexity**

- QuickBooks**:** User-friendly interface; minimal training required
- ERP: Complex systems requiring dedicated IT support and training

3. Suitable **For**

- QuickBooks: Best for SMEs like Madaripur Spinning Mills Pvt. Ltd. (MSMPL)
- ERP: Designed for large-scale, multinational corporations with diverse operations

4. Customization

- QuickBooks: Offers moderate customization for reports, invoices, and workflows
- ERP: Highly customizable to fit specific organizational structures and needs

5.18 Challenges

1. Resistance to Digital Transition many employees, especially in the older workforce and lower operational levels, are accustomed to manual processes and resist the shift to automated systems like QuickBooks and AIS. This creates delays in data entry, errors in reporting, and an increased need for manual intervention.

2. Inadequate Technical Training QuickBooks has been implemented, several employees have not received in-depth training, resulting in underutilization of the software's features. For example, advanced budgeting tools and forecasting modules remain unused due to lack of awareness or expertise.

3. Cybersecurity Risks while the company has firewalls and password-protected systems, it still lacks advanced cybersecurity measures such as:

- Multi-factor authentication (MFA)
- Real-time threat detection
- Periodic system penetration testing this increases the risk of data breaches, especially with financial records stored digitally.

4. Limited Backup & Disaster Recovery the current backup strategy involves external drives and basic cloud syncs. However, the absence of a full disaster recovery plan or offsite backups makes MSMPL vulnerable to data loss in case of system failure, power outage, or cyberattack.

5. QuickBooks System Limitations QuickBooks, although effective for day-to-day transactions, has several functional limitations:

- Lacks advanced manufacturing features (like real-time machine integration)
- Cannot support complex multi-warehouse inventory setups
- Struggles with integration into full ERP-level operations

6. Operational Bottlenecks inventory movement and inter-departmental reporting still involve semi-manual procedures, causing delays in supply chain management. For example, production data may not be updated in real time into the accounting system.

7. Over-Reliance on Key Personnel a few experienced individuals handle multiple critical functions (e.g., payroll + accounts payable), creating a single point of failure. Their absence can disrupt daily financial operations or delay monthly closing procedures.

5.19 Company Limitations

1. Outdated Machinery while some parts of the mill use advanced spinning machines, many units still operate older models. This reduces efficiency, increases maintenance costs, and limits automation potential in production reporting.

2. Energy Dependence frequent load shedding and voltage fluctuations disrupt production, delay batch completions, and increase overhead costs. The lack of an industrial-grade uninterrupted power supply (UPS) system or backup generators amplifies this issue.

3. Limited Export Market Penetration the company mainly serves domestic buyers. Although demand for textile products is growing internationally, MSMPL lacks a strong international marketing strategy, product certification (e.g., GOTS, OEKO-TEX), and global logistics support.

4. Lack of R&D and Innovation there is no dedicated Research & Development (R&D) department to improve spinning techniques, explore sustainable materials, or innovate on blended yarn types. This limits product differentiation in a competitive market.

5. Environmental Compliance Gaps the factory is working toward meeting updated environmental standards, but it still lacks a fully digitized waste management system, real-time air/water quality monitoring, and automated reporting to regulatory bodies.

6. Employee Retention Issues skilled operators and technicians often leave for higher-paying competitors or overseas opportunities due to:

- Lack of long-term career development plans
- Limited performance-based incentives
- Outdated working conditions in some departments

Chapter 6: Findings, Recommendations & Conclusion

6.1 Findings

Based on my internship experience at **Madaripur Spinning Mills (Pvt.) Limited (MSMPL)**, the following positive and negative findings were identified:

From the analysis the following positive things have been found

- Structured Internal Control System – MSMPL has adopted the COSO framework with segregation of duties, dual-level approvals, and regular audits, which ensure financial transparency.
- Effective Use of QuickBooks – The company has successfully integrated QuickBooks into daily operations, which improved accuracy in payroll, invoicing, and financial reporting.
- Strong Financial Controls – Budgetary discipline, cash management, and asset tracking have reduced risks of misuse and enhanced financial stability.
- Audit and Compliance Practices – Regular internal audits and compliance with tax regulations have helped MSMPL maintain a clean financial record with zero penalties in recent years.
- Skilled Workforce – Finance and accounts personnel are trained in handling routine AIS activities, ensuring timely and accurate data entry.

From the analysis the following negative things have been found

- Underutilization of AIS Features – Advanced QuickBooks features like budgeting, forecasting, and asset management modules remain unused due to lack of staff training.
- Manual Dependencies – Inventory movement and interdepartmental reporting still rely on manual processes, causing delays and errors.
- Cybersecurity Gaps – The company lacks advanced cybersecurity measures such as multi-factor authentication, real-time monitoring, and robust disaster recovery systems.

- Operational Challenges – Outdated machinery and frequent power outages increase costs and reduce efficiency.
- Export Limitations – MSMPL’s presence in international markets is minimal due to the absence of global certifications and weak export marketing strategies.
- Employee Resistance – Some employees, particularly in production and store departments, resist adopting digital tools, slowing the effectiveness of AIS.
- Staff Retention Issues – Skilled employees often leave for higher-paying opportunities due to limited training programs and career development prospects.

6.2 Recommendations

To address the above findings and enhance overall performance, the following recommendations are proposed:

- Enhance AIS Utilization – Organize regular training workshops on advanced QuickBooks modules (budgeting, forecasting, fixed asset management) to maximize the system's potential.
- Digitize Inventory Control – Introduce barcode-based inventory management and handheld scanners to replace manual stock recording and reduce delays.
- Upgrade Cybersecurity – Implement multi-factor authentication (MFA), real-time threat detection, and a full disaster recovery plan with secure cloud backups.
- Modernize Operations – Replace old machinery gradually and install industrial-grade UPS/generators to minimize production disruptions.
- Expand Export Strategy – Obtain global textile certifications (e.g., GOTS, OEKO-TEX), attend trade fairs, and establish an export-focused marketing team.
- Encourage Digital Adoption – Provide incentives and training to employees resistant to automation, ensuring smoother digital transition across departments.
- Improve Staff Retention – Create structured career growth plans, skill development workshops, and performance-based incentives to retain skilled employees.

6.3 Conclusion

The internship at **Madaripur Spinning Mills (Pvt.) Limited** was a deeply enriching experience that bridged the gap between academic knowledge and practical industry applications. The structured **internal control systems**, partially integrated **Accounting Information System (AIS)**, and widespread use of **QuickBooks** showcased how financial discipline and digital transformation go hand-in-hand in a modern textile organization.

While the company has made significant progress in automation and compliance, there are still opportunities for growth in areas like full ERP integration, advanced employee training, and R&D investment.

This experience not only sharpened my professional capabilities but also gave me a clear direction for my future career in accounting, internal auditing, and financial systems management. I am confident that the knowledge and insights gained through this internship will serve as a strong foundation for my development as a business professional.

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DAFFODIL INTERNATIONAL UNIVERSITY

Faculty of Business and Entrepreneurship (FBE)

Department of Business Administration

Intern Assessment Form (Employer)

Semester: **Year:2025**

Name of the Intern: Syed Fazla Rabbi

Name of the Supervisor: Mohammad Mohan

Please rate the Intern's Performance based on the following criteria (Please Tick "✓")

Specific Area	Please rate his/her performance on a 10-point Scale (✓)
Regularity in Office	✓ 8/10
Communication Skill	✓ 7/10
Work Responsibilities & Accountability	✓ 9/10
Work Ability (Independently/Team)	✓ 8/10
Adaptability in working place	✓ 9/10

Signature

DAFFODIL INTERNATIONAL UNIVERSITY

Faculty of Business and Entrepreneurship (FBE)

Department of Business Administration

INTERNSHIP LOG BOOK

Student's Name:	Syed Fazla Rabbi	Internship Site:	Madaripur Spinning Mills (Pvt) Limited
Supervisor's Name:	Mohammad Mohan	Week beginning:	1st February
Internship Coordinator/Advisor:	Repon Miah		

Summary of Internship Activities

During my internship at Madaripur Spinning Mills (Pvt.) Limited, I had the opportunity to gain hands-on experience and apply theoretical knowledge in real-world business operations. My primary focus was on understanding the company's internal control systems and accounting information system (AIS), particularly QuickBooks. I began by observing day-to-day operations and familiarizing myself with the company's accounting and inventory management processes. As I became more comfortable, I assisted in preparing financial reports, tracking cash flow, and managing accounts receivable. I was also involved in evaluating the integration of QuickBooks with other operational systems, which allowed me to identify key areas where the system could be improved, especially in terms of inventory tracking and data accuracy. Over the course of the internship, I participated in various workshops that enhanced my understanding of financial reporting, fraud prevention, and system automation. One of my significant contributions was helping the IT and finance departments automate processes, improving overall efficiency and reducing manual errors. I also played an active role in assisting with internal audits and preparing reports for management. By the end of my internship, I had developed valuable insights into internal controls, financial management, and the effective use of AIS, while also providing recommendations to further enhance operational efficiency and security.

Week	Activities/Tasks Completed
Week 1	**Orientation & Observation**: Introduced to the company and its operations. Observed daily financial processes and internal control measures. Familiarized myself with the Accounting Information System (QuickBooks) and the roles of various departments, particularly finance and IT.
Week 2	**Financial Data Entry**: Assisted in entering financial data into QuickBooks, including journal entries and updating accounts receivable. Observed the internal control framework in action, particularly the approval processes for financial transactions.
Week 3	**Accounts Management**: Worked on preparing cash flow reports and managing accounts payable and receivable. Assisted the finance team in reconciling bank statements and cross-checking invoices with purchase orders.
Week 4	**System Integration & Inventory**: Helped assess the integration of QuickBooks with other operational systems, focusing on inventory tracking. Identified areas where manual inventory tracking could be improved for better accuracy and efficiency.
Week 5	**Internal Control Review**: Participated in reviewing internal controls for financial data accuracy and operational transparency. Assisted in evaluating the effectiveness of existing procedures and identifying areas for improvement in data security and backup protocols.
Week 6	**Workshops & Training**: Attended workshops and training sessions on advanced QuickBooks functionalities, including payroll, budgeting, and financial forecasting. Assisted in documenting key takeaways for future reference.
Week 7	**Financial Reporting & Audits**: Assisted in preparing monthly financial reports, including profit and loss statements, and participated in the internal audit process. Ensured compliance with internal audit standards and checked for discrepancies in financial records.
Week 8	**Recommendations & Final Review**: Analyzed data and provided recommendations to improve system integration and automate manual processes. Worked on compiling the final internship report, summarizing my contributions, learning experiences, and proposed improvements for operational efficiency.

Intern Signature Rabbi

Signature Over Printed Name of Student: Syed Fazla Rabbi **Date:**30/04/2025