Internship Report On Internal Financial Auditing: Practices and Challenges at Amefix IT

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Date of Submission:

Letter Of Transmittal

MD Anhar Sharif Mollah

Associate Professor

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Subject: Submission of Internship Report on "Internal Financial Auditing: Practices and Challenges at Amefix IT"

Dear Sir,

With all due respect, I am sending in my internship report, which is titled Internal Financial Auditing: Practices and Challenges at Amefix IT. I had the chance to learn about internal audits and help the finance team with a variety of financial-related tasks while working as an intern in the finance department at Amefix IT.

The knowledge and experience I gained throughout my internship served as the foundation for this report. It talks about the firm's internal auditing procedures, the challenges the team faces, and how the procedures help to keep accurate and trustworthy financial account records.

Thank you for your assistance and guidance. This report, in my opinion, will help readers understand the nature of financial auditing in an organization like Amefix IT.

I appreciate you looking over my report.

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Yours Sincerely,
Samanta Hossain
ID: 213-11-1329
Major: Finance
Department of Business Administration
Daffodil International University

Acknowledgement

I am thankful to Allah (SWT), whose unending kindness and assistance made it possible for me to carry out and finish this internship report.

I would like to thank MD Anhar Sharif Mollah, Associate Professor in the Daffodil International University Department of Business Administration, for his kind and welcoming assistance and support along my journey. His advice helped me stay confident and focused while I was writing the report.

Additionally, I would want to sincerely thank the entire finance team at Amefix IT for making my internship experience so worthwhile. I was able to learn more than just the financial auditing textbook because to their assistance, knowledge exchange, and support in my daily tasks.

I want to express my sincere gratitude to everyone at Daffodil International University and Amefix IT who helped me to complete this report in a satisfactory manner.

Certificate Of Approval

I attest that the requirements of the Bachelor of Business Administration (BBA) program include the internship report, Internal Financial Auditing: Practices and Challenges at Amefix IT. This report was created based on my instruction and was submitted by Samanta Hossain, ID: 213-11-1329, who had undergone her internship period at Amefix IT.

This report represents the direct labour and study of a student who developed it based on the university performance requirements. Since the report, in my opinion, demonstrates pertinent expertise on the subject, I would like to suggest that it be formally submitted to the Daffodil International University Department of Business Administration, Faculty of Business and Entrepreneurship.

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Dr. Md. Anhar Sharif Mollah

Associate Professor

Department of Business Administration

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Declaration

I, Samanta Hossain, a student in the Department of Business Administration, attest that I completed the internship report, "Internal Financial Auditing: Practices and Challenges at Amefix IT," in fulfilment of a requirement for Daffodil International University's Bachelor of Business Administration (BBA) program.

Under the direction of MD Anhar Sharif Mollah, Associate Professor in the Department of Business Administration, the report was developed. It is based on the real-world information and expertise I gained from working with the company's financial and internal auditing procedures during my internship at Amefix IT.

Additionally, I guarantee that this report is entirely original with no prior use to obtain a professional certification or academic degree.

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Yours Sincerely,
Samanta Hossain
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Executive Summary

In this report, I discuss my three-month internship at Amefix IT, where I worked in the finance department and learnt about a variety of internal financial auditing topics. Essentially, the report's goal is to outline the company's internal auditing process and the challenges they faced.

During my internship, I helped with bill and invoice registration, financial record keeping, and cheque and receipt inspection. Amefix IT has some excellent auditing procedures, in my opinion, including documentation, approvals, monthly reconciliation, and regular reporting. The company keeps accurate and truthful financial information as a result of these measures.

However, there were also some issues associated with it. The main cause of the delays is that most work is still completed by hand. The use of contemporary tools for real-time financial tracking is limited. Additionally, there is sometimes a lack of interdepartmental communication and the staff needs more training in the use of new technologies.

I have suggested several solutions to address these issues, including the use of automated facilities, the digitisation of records, regular training sessions, the use of standard templates, and improved data security. The modifications may improve auditing's speed, accuracy, and efficiency.

To put it succinctly, Amefix IT is doing fairly well in the area of internal auditing, which suggests that it can even function better and thrive more strongly with minor adjustments

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Chapter-1

Introduction

1.1 Introduction

Amefix IT is one of Bangladesh's top providers of technology services, offering a wide range of IT services such software services, hardware maintenance and repair, and IT consulting. With the onset of the digital age, businesses are increasingly turning on technology to maintain their regular operations, dependability, and market presence. Amefix IT plays a significant role in satisfying this need by offering practical and efficient IT services.

Internal financial auditing has become essential in the contemporary business world to assist organisations in achieving accuracy, transparency and compliance with regulations. Efficient auditing ensures reliability of financial records and reduces errors and cases of fraud and manages risks appropriately. Internal auditing would be beneficial in maintaining and increasing the stakeholder trust in IT companies such as Amefix IT, which possess numerous service lines and asset management related to financial activities.

The manner in which businesses receive and manage their finances and reporting has changed due to the current developments in digital technologies. This change shows that very efficient auditing processes with the help of digital tools are needed to enhance timeliness and accuracy. Amefix IT is already changing with these trends by inculcating auditing processes in its financial management software in a bid to achieve continuous improvement and future growth.

The internal auditing exercise in Amefix IT was conducted and I also worked with the financial team during my internship. The experience provided me with a solid knowledge of how the auditing processes are applied in a real-world IT business environment. The paper will examine the internal financial auditing process of Amefix IT, the issues that the auditing team encountered, and highlight the importance of such processes to the performance of the company.

1.3 Objectives of the Study

The core objective of this research is to look at internal financial auditing processes and challenges at Amefix IT.

- To analyse the auditing practices employed by the finance department of Amefix IT.
- To determine the difficulties encountered by the internal auditing team throughout the auditing procedure.

1.4 Scope of the study

This report specifically details the internal financial auditing tasks I completed during my three-month internship in the finance department at Amefix IT. In order to guarantee accurate financial reporting and compliance, the paper looks at the audit processes, the instruments employed, and the difficulties encountered.

It does not apply to other financial operations such as budgeting, taxation, or external auditing; instead, it is limited to the practice of internal audit. Without the use of official surveys or interviews, the study's primary research approach is secondary data collecting based on internal papers, observations, and conversations with the finance staff.

1.5 Data Collection Methods

Due to organizational protocols and time constraints, I collected data for this study using secondary approaches. Primary data collecting techniques like surveys and interviews were not permitted during the internship.

Information was gathered from a variety of sources, including financial records, company manuals, electronic documentation, and internal audit reports. Attending team meetings and reviewing audit checklists gave me the opportunity to participate in the auditing process as well.

1.51 Secondary Sources

- Financial reports and internal audit report at Amefix IT
- Policy documents and company manuals
- Articles and reports on the web about the best practice of internal auditing
- Internship interviews with the finance team managers and employees

1.6 **Limitations of the study**

The duration of the internship, which was only three months, is the study's constraint. This limited my ability to gain exposure to all auditing procedures and Amefix IT's broader finance functions.

Additionally, access to some financial data was occasionally prohibited due to the dynamic nature of the business and the confidentiality policy. This made it more difficult to conduct a more comprehensive analysis of all auditing issues and fixes.

Because secondary material was employed, the conclusions and suggestions were given more as observations and available documents than as a comprehensive primary research study. Despite these drawbacks, the internship was a very educational and useful experience that improved my understanding of internal audits of financial matters in an IT company.

Chapter-2

Company overview

1 Overview

2.1 Overview

1. The Origins and History:

Amefix IT was founded as an IT repair and solution firm with the goal of offering technology services in Bangladesh that were affordable and accessible to all. After years of growth, the organization is now a respected force in the local technology services industry. Initially providing basic computer and device repair services, Amefix IT has expanded its service offerings over time to meet the evolving needs of both individual and business clients.

2. Business registered and Client Trust:

Amefix IT is a privately held, registered business in Bangladesh that complies with local tax and business regulations. Thousands of customers trust the company due to their honest services, transparent pricing system and high quality post sales services. The increasing clientele consists of students, professionals, owners of small companies and entrepreneurs.

3. Increase of Services and Market Outreach:

Amefix IT has over the years outgrown itself to hardware repair. Since that time, it has grown to provide enterprise-wide IT solutions, cybersecurity consulting, data recovery, and software installation. It has also established several drop-off points and service stations across Dhaka, so its services are available to many people.

4. Concentration on Financial Decency and Auditing:

When the company expanded, Amefix IT made internal financial discipline more significant. Moreover, the finance department has good accounting, cost management and a convenient budgeting feature. Financial auditing is an important activity at Amefix IT since it assists the organisation to uphold financial integrity and minimize risk, as well as increase the sustainability of growth.

5. Customer-Centred Justifications:

Amefix IT is client-focused, especially when it comes to turnaround time, warranty-guaranteed service and full-fledged diagnostics to repair. They also use online booking system to keep their clients loyal to them in the long run and inform them about the status of their typing repair requests.

2.1.1 Vision

To be the most reputed and easy to access IT service provider in Bangladesh through reliable solutions delivery, first-rate customer support, and continuous technological advancement.

2.1.2 Mission

To achieve this objective Amefix IT is committed to:

● Providing low priced, high quality IT services.

● Making sure the transparency of every interaction with clients and service procedures.

● Employing and integrating the modern technology in service operations.

● Providing personnel with training and skill development. enhancing the availability of services through branch offices and the internet. maintaining high financial discipline and internal controls.

2.1.3 Values

- Integrity
- Customer Satisfaction
  Efficiency
- Accountability
- Transparency
- Continuous Learning

3.1 Internal Financial Auditing: Practices of the Company

Internal financial auditing is a necessity in ensuring that Amefix IT is accurate, transparent, and in control of any financial activity. To maintain financial discipline and make decisions that are well informed, the organization follows several basic auditing processes. These practices are explained in the five sections that follow:

1.Recording and Documentation

The Amefix IT uses accounting software to capture all financial transactions in the right way. All transactions such as invoices, bills, and vouchers are supported by documents. This reduces chances of mistake or fraud and helps the finance department to keep track of all operations.

2.Approval and Authorization

Any payment made has to be authorised by the relevant authorities. In order to maintain transparency and preventing financial abuse, a clear procedure exists, whereby various employees handle various duties, including requesting, approving and processing payments.

3.Monthly Reconciliation

The finance personnel at the company compare the internal books and bank statements at the end of every month. This simplifies the detection of inconsistencies, omitted data or illegal transactions. Reconciliation ensures that the financial data is accurate and timely.

4.**Inventory and Asset Monitoring**

Because Amefix IT deals with physical equipment and devices, the financial department has an asset register. They make sure that the purchases, use and storage of assets is well recorded by monitoring the use and movement of every item. This is an advantage of both the operational and financial audit.

5.Financial Reporting and Compliance

The finance staff prepares summary reports on the revenue of the company, expenses, and financial health of the company in general. These reports are made available to the management to be evaluated. Another element of auditing is to ensure that all workers are following the company norms and financial policies appropriately.

Chapter-3

Internship Role and Responsibilities

3.1 Role and Responsibilities

I worked as Amefix IT Internal Financial Auditing Intern. My principal responsibilities, according to the role, were as follows:

- Helping to verify invoices and bills to make sure they are correct and well documented.
- Assisting with keeping the financial records, sorting files and computer-based documents.
- Assisting senior members of the finance division in internal audits or monthly close-downs.
- Verification of the mistakes in calculations in expense reports and financial statements.
- Their help in checking payments and receipts so that they are congruent to the records.
- Any other activity given by the supervisor.

3.2 Internal Auditing Process

Internal auditing (in a financial context) is a process of systematically examining the financial statements, transactions, processes and controls of an organization to assure that they are accurate, compliant and that there is minimization of risk.

Key Financial Objectives of Internal Audit

1. **Guarantee Accuracy of the Financial Statements:** make sure that financial statements, including cash flow, balance sheet and income statement are reflective of the health of the company finances.
2. **Detect and Prevent Fraud:** Identify cases of embezzlement, fraudulent records or unlawful transactions.

3. **Evaluate Internal Controls in Finance:** Inspect the reporting, authorizations, reconciliations and approvals control systems.
4. **Check Compliance** with Financial Accounting (e.g. IFRS, GAAP, and tax regulations).
5. **Minimize Financial Risk:** Identify any weaknesses that can end up in losses or false statements.

Internal Auditing Process (Finance-Focused)

1. Audit Planning (Financial Scope Definition)

- Specify which financial categories (such as capital expenditures, inventory valuation, and revenue recognition) will be audited.
- Examine previous audits and determine the materiality (effect of possible errors).
- Determine the main financial risks, such as credit and liquidity risk.

2. Understanding and Documenting Financial Processes

- Chart the progression of financial transactions, such as the purchase order, payment, and ledger entry.
- Recognize control points, such as reconciliations and approvals.

3. Testing Internal Controls

- Review significant financial controls:
  - Are bank reconciliations done monthly?
  - Are journal entries reviewed and approved?
  - Are access rights properly limited (segregation of duties)?
- Test transactions using sampling approaches.

4. Substantive Testing

- Analysing financial data directly:
    - Recalculate depreciation or interest.
    - Match sales invoices to revenue recorded.
    - Verify physical existence of assets listed on the balance sheet.

5. Analytical Procedures

- Compare real performance with the budgets or past years.
- Identify unexpected changes in financial indicators, including debt-equity or gross margin percentage.

6. Reporting Financial Audit Findings

- Provide a report on the financial audit that presents:
    - Mistakes or misstatements identified.
    - Control weaknesses (e.g., weak cash handling procedures).
    - Financial risk exposure.
    - Recommendations to improve financial control.

7. Follow-up and Monitoring

- Report whether financial recommendations were implemented.

High-risk locations should be retested in the next cycle.

Chapter-4

Key Learnings and Experiences

1.1Key Takeaways

My internship helped me to work in the internal financial auditing department of the finance group at Amefix IT. I also got to know the importance of being precise and comprehensive when scrutinizing financial records and accounts. I learned how auditing has a role to play in ensuring that business finances are more accountable and transparent.

I got acquainted with the tools and processes that relate to auditing, including scrutinizing invoices and payments closely and keeping track of financial records. The skills, communication skills in the office and good work habits have all been enhanced with the help of the internship and they are imperative to success in the workplace.

4.1 Explanation of Those Roles and Responsibilities

The work that I did was closely related to the aim of the finance department to uphold reliable and precise accounting records. I assisted the team in identifying the errors in order to enhance the financial controls as part of internal auditing process.

Due to my work on the audit of financial transactions and working on audit documentation, I was able to contribute to the department in reducing risk and compliance. Through this role, I discovered the benefits of auditing in business operations and decision making process of the entire organization.

4.2 Academic Institution Relation.

During this internship, I was able to apply much of the things I had studied in my BBA program and particularly in financial accounting, auditing, and business ethics.

For instance, I was able to understand the need of confirming the accuracy of financial data and maintaining ethical standards thanks to the auditing concepts I studied. I was able to be productive and well-organized during my internship thanks to the organizational skills I developed in the classroom.

Overall, it was a good experience that helped me close the gap between theory and practice because I now know how academic information can be used in the actual world of auditing and finance.

Chapter-5

Critique and Reflections

Critique and Reflection of Internship Experience

I faced a number of difficulties while I was an intern in the finance department. The first ten major issues I encountered are outlined below, along with recommendations for fixes that, in my opinion, could enhance future interns' internship experiences in general.

No.	Problem Faced	Suggested Solution
1	At first, there was no formal orientation program.	To introduce processes and culture, set up a brief training session at the start.
2	I was assigned repetitious administrative duties including documentation and data input.	Under supervision, gradually expose interns to worthwhile financial tasks.
3	I didn't always have the chance to work on essential finance tasks.	Give people the chance to take part in financial research, forecasting, and budgeting.
4	There were times when my job duties were unclear.	To cut down on misunderstandings and boost productivity, provide job descriptions that are explicit.
5	I needed more direction because I didn't get enough monitoring.	Provide advice through frequent mentorship and supervision meetings.
6	I hardly ever got helpful criticism for my work.	Set up frequent feedback sessions to monitor development and enhance output.
7	I was not given complete access to financial tools and software.	Provide limited access to tools and software for educational purposes without jeopardising confidentiality.

8	I was unable to work with some crucial financial data because of confidentiality concerns.	Assign interns to minor, non-confidential financial project components.
9	The workload fluctuated between being too much and too little.	Schedule your tasks in a balanced manner to guarantee a steady workload.
10	The interns were not given any particular learning objectives.	Establish precise learning goals and anticipated results at the beginning of the internship.

Chapter-6
Conclusion

6.1 Conclusion

The internship at Amefix IT provided a practical introduction to the IT company's internal financial auditing procedures. The company's appropriate auditing procedure, which includes documentation, monthly reconciliation, inventory monitoring, and compliance reporting, was evident from the active involvement of the finance department. The two procedures support upholding operational accountability and financial transparency.

However, the internship revealed certain shortcomings that need to be addressed, such as the inadequate use of real-time digital tools, manual processes that cause delays, and uneven auditing software training. Although the financial team demonstrated competence and commitment, the efficacy and assurance of the auditing process will be greatly increased with the judicious use of new technology and the strengthening of internal controls.

Overall, the internship successfully connected theoretical knowledge with practical applications and demonstrated the value of internal auditing for the long-term viability and financial stability of a growing IT business like Amefix IT

Chapter-7

Implications

7.1 Implications

1. Increased financial transparency via internal auditing can boost client and investor trust.
2. Management can create more robust internal control systems by identifying discrepancies in compliance and record-keeping.
3. Frequent auditing procedures lower the possibility of financial misstatements and fraud.
4. Strategic planning, cost control, and resource allocation decisions can be guided by audit insights.
5. Efficiency during external audits is increased by fortifying reporting and documentation procedures.
6. Employees are encouraged to adhere to financial procedures more precisely by internal audits.
7. Compliance and record-keeping training increases employee productivity.
8. A transparent system decreases mistakes or abuse and increases accountability.
9. Offers real-world examples of how internal auditing works in IT-based companies.
10. Could serve as a resource for additional research on audit procedures in SMEs.
11. Identifies topics that upcoming interns or researchers can investigate, such as digital tools or automation in auditing.

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