



Daffodil
International
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Internship report on
Audit Procedures of Kazi Zahir Khan & Co,
Chartered Accountants





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Audit Procedures of Kazi Zahir Khan & Co,
Chartered Accountants

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Submitted To:

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Date of Submission:

Letter of Transmittal

Date:05/04/2025

Dr. Nurul Mohammad Zayed

Associate Professor

Department of Business Administration

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Daffodil International University

Subject: Submission of an Internship report on Audit Procedures of Kazi Zahir Khan & Co Chartered Accountants.

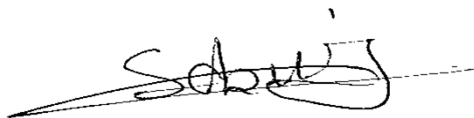
Dear Sir,

With most due respect and modest obedience as directed by your directives and cooperative oversight. I had successfully finished the internship report that I had to write as part of Daffodil International University's business administration department's BBA program. I found the subject to be enlightening, helpful, and fascinating. I've done my best to write a credible and useful report. "Audit Procedures of Kazi Zahir Khan & Co , Chartered Accountants'' was the topic of the internship report. I have followed your instructions and incorporated ideas that you shared during our discussion to complete the report requirement. Throughout my internship, I have gained extensive knowledge about a wide range of topics related to the telecommunications sector. Therefore, I believe the massive knowledge and experience will assist me in my future career life.

I, sincerely hope that you will be satisfied with the report. I shall be highly obliged if you are kind enough to provide your valuable judgment about it and accord approval to this report.

It has to be mentioned further that without your advice and cooperation, it would not be possible for me to complete this report. I shall be gratified to answer any sort of queries you think necessary regarding this report.

Yours Sincerely,



Md. Sobuj Gazi Sagor

ID: 201-11-6412

Program: BBA

Major: Finance

Department of Business Administration

Daffodil International University

Certificate of Approval

This is to certify that the internship report titled "To overview of Audit Procedures of Kazi Zahir Khan & Co , Chartered Accountants " furnished by Md. Sobuj Gazi Sagor , ID: 201-11-6412 of B.B.A. program, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, has been recommended for submission and presentation.

Md. Sobuj Gazi Sagor carries moral and ethical character and is a very pleasing person as well as a student. It has indeed been a great pleasure working with him. I wish him all success in life.



Dr. Nurul Mohammad Zayed

Associate Professor

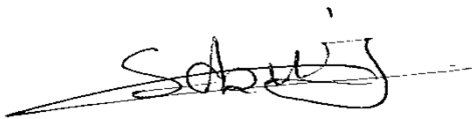
Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Student Declaration

I so certify that the work I have provided for this internship report has never before been turned in to any other university, institution, or organization for credit toward any degree. The content I have supplied is unprotected by copyright, and this report doesn't include any copies of previously completed degree-related or other projects.



Md. Sobuj Gazi Sagor

201-11-6412

Bachelor of Business Administration (B.B.A.)

Department of Business Administration

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Acknowledgment

Firstly, I would like to express my sincere gratitude and unwavering devotion to the Almighty Allah for bestowing upon me the capacity, fortitude, and perseverance, as well as for keeping me engaged in completing my internship report on the Audit Procedures of Kazi Zahir Khan & Co , Chartered Accountants. I am delighted to express my gratitude to my academic advisor, Dr. Nurul Mohammad Zayed , an assistant professor at Daffodil International University's Faculty of Business Administration. This report could not have been finished without his direction and oversight. He also led me in the correct direction for a separate work, for which I am very appreciative. He consistently gave all the information that was required. His help was amazing and extremely beneficial. Writing a report on an internship is such a joy. I completed the report that the course instructor gave me with the assistance of a few people. I would like to thank Kazi Zahir Khan & Co Chartered Accountants for providing me with the opportunity to work there, as well as for the amazing work atmosphere and teamwork that this firm has in handling a multitude of tasks.

Ultimately, I express my gratitude to my onsite supervisor, Amit Kumar Biswas Manager at KZKC, for their invaluable assistance in the preparation of this report. I would like to express my appreciation to every one of the Kazi Zahir Khan & Co , Chartered Accountants staff for their hard work in overseeing me during my internship attachment. Furthermore, I would like to express my gratitude to the entire Daffodil International University faculty of business administration for setting up an internship program that makes it easier to integrate theoretical knowledge with practical scenarios.

Executive Summary

The practice of audit procedures in Bangladesh plays a crucial role in ensuring financial transparency, regulatory compliance, and the integrity of financial reporting across various sectors. This summary provides a comprehensive overview of audit procedures in Bangladesh, highlighting key aspects of the audit process, regulatory framework, and emerging trends. This is an internship report prepared based on my three to six months practical experience in KZKC (Kazi Zahir Khan & Co) Chartered Accountants. Through this internship program, I got to know about the Audit Procedures of Kazi Zahir Khan & Co Chartered Accountants and this report is presented based on my observations and experiences gathered from the company.

The report has been written with the intention of providing its reader a clear idea of how an audit firm deals audit activities. In this report I tried to familiar with the concept of audit procedures of KZKC (Kazi Zahir Khan & Co Chartered Accountants) which is one of the top chartered accountant firms in Bangladesh. The company provides various services like statutory audit, consultancy, taxation services and many more. In the period of internship program, I was assigned in KZKC (Kazi Zahir Khan & Co Chartered Accountants) as an intern. I have worked in this report followed by the knowledge that I have gained from working, trainings and my personal experiences. The first part of the report consists an introduction and description of the report. The second part of the report contains of activities undertaken during my internship. In the third, I briefly discussed about obstacles that I have faced in my internship period and in the fourth part I have tried to discuss about the lessons learned from the internship program and last part, I tried to focus on some of the findings that I have found during this period of internship. I have also recommended some solutions which will minimize the problems that I have mentioned in my findings. Later, I have tried to draw an overall conclusion of the report.

In conclusion, the summary emphasizes the critical role of audit procedures in fostering financial integrity, investor confidence, and corporate governance in Bangladesh. It underscores the need for continuous professional development, collaboration between stakeholders, and adaptation to emerging challenges to uphold the quality and effectiveness of audit practices in the dynamic Bangladeshi business ecosystem.

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CHAPTER- 01: INTRODUCTION

1.1 Introduction

Internship is a short time (three to six months) job offer by an employer to a prospective employee known as an intern to work at a certain firm or organization for some period of time. Interns are mostly the fresh graduates or students and most of the internships take about three to six months. Internship can be either be a part and full time internship since it can also be paid internship (lower wages from job holders) or voluntary internship (without any pay) . In Bangladesh, specifically, the use of paid full-time internships is common practice.

An internship is dedicated to afford an intern the necessary practical experience, the actual employment experience and the disciplined superior learning about that specific field of work in exchange for the employer being given the advantage derived from the work done by the intern. And, therefore, internship can offer the opportunity to apply the knowledge received in the course of the time spent at university, and gain experience by addressing a number of and various tasks. In this case, Daffodil International University has initiated internship program for the business graduated after an academic curriculum to enable the graduates transform their academic ability and business theories learnt in the classroom into real life practice and skills within the business world.

In this internship, I have been able to come across some understanding regarding the chartered accountancy firms in Bangladesh. I selected Kazi Zahir Khan & Co, Chartered Accountants this firm is one of the most popular chartered accountancy firm of our country. I was in the audit and consultancy team which deals in internal audit and consultancy .

1.2 Origin of the Report

This report forms part of my curriculum of completing my BBA programme which will help me to complete my graduation. It has been developed based on thirteen to fifteen weeks of study. It also helps me in obtaining the information and the useful facts, which I will need in my rest of my life. For that reason, it is my privilege to extend my heartfelt gratitude to Dr. Nurul Mohammad Zayed, Assistant Professor, Daffodil International University for his supervision on my research and valuable time and advice.

1.3 Significance of the Study

That means, at the end of the period of internship, the student is supposed to submit an internship report in consideration to the task that was given to the student while on internship. Provide evidence of the intern's understanding of course specific, programmatic, and disciplinary objectives. Consider the experience of the internship program in its field of profession. Assess the usefulness of ideas/internship objectives and the ways in which objectives were met/or unmet during the internship report is based on the tasks assigned to the student throughout the internship period. This report helps the student to:

- ✓ Enhance and develop their written communication skills.
- ✓ Document their internship experience.
- ✓ Reflect on the professional insights gained during the internship program.
- ✓ Evaluate the internship goals and determine whether they were achieved or how they were accomplished during the internship.

Through internship a set of contacts are developed which if wanted can be used to secure a good job in the future. This is particularly relevant for a country like Bangladesh where competition is many times greater, and only tends to grow with every new day. Those who never interned have no such contacts so finding a good job for such learner is much harder.

1.4 Objectives of the report

Broad Objective

The general purpose of this report is to analyze audit procedure of Kazi Zahir Khan & Co Chartered Accountants.

Specific Objectives

The specific objectives regarding the study are as follows:

- To describe the procedure of audit planning and manner of implementing the plan.
- To show the prescribed format of the audit report.
- To derive few findings and recommend suggestions accordingly .

1.5 Methodology of the report:

Some understandings on ‘Audit procedure’ in Bangladesh is obtained from the preparation of the internship report ;

- Data collected from audit managers, audit assistants, and current students in the firm.
- At the course of my work I noticed and documented the following information’s which are relevant to my report.
- Data derived from working papers of (KZKC)
- Information gathered from newspapers, magazine, books, files and in the audit procedure” in Bangladesh.

The information is collected from Secondary sources.

- Information collected from audit working papers from KZKC Chartered accountants .
- Information collected from various publications, books, files and Internet. Example: Bangladesh Standards of Auditing (BSA).

1.6 Scope of the Study

This work being a research indeed presents an actual (KZKC) Chartered Accountants like a real-life situation, thereby making the work a case study in essence. For this reason, the scope of this study is limited. The main purpose of this research is to gain applied experience in performing research in the business fields. In this report the author has given the brief Overview of the Chartered accountants firms in Bangladesh using (KZKC) Chartered Accountants. The need to gain experience and knowledge about (KZKC) Chartered Accountants was a part of my academic course work.

1.7 Limitations of the report:

Therefore, the main purpose of this report was to have more on external audit procedure.

During my internship I have over term different challenges that I had to address as I continued with the interning. Similarly, during writing my report too I have faced some limitations to the writing process. Some of the limitations are shown below:

1. **Time Constraint:** Audit procedure is a vast concept and very challenging to handle if one has to understand it in its entirety. As much as possible I attempted to translate those aspects which I gained during my internship program. Therefore, if there was enough time, many aspects can be discussed.
2. **Limitation in Practical Engagementship :** A fresh graduate student may make big mistakes in sensitive issues; therefore, as a like junior student, I was supposed to be assigned very few tasks to complete. Therefore, it limited the scope for me to capture the whole picture of what auditing is all about.
3. **Firm's Code of Conduct:** There are some information about audit procedure which I were not allowed to disclose it because of the policy of my firm and my client. As a result, I could not write in detail all the things which I intended to.

CHAPTER- 02:
ORGANIZATIONAL OVERVIEW

2.1 ORGANIZATIONAL OVERVIEW

Kazi Zahir Khan & Co. (KZKC), Chartered Accountants is one of the fast growing professional accounting firms of the country offering auditing and consultancy services. It was established in 1980. It is noteworthy that KZK is very heavily reinforced by leading national enterprises operating in Bangladesh. It also caters to many Banks, financial organizations, pharma, power producing, cement, textile, chemical and all other service sectors including those organizations supported by international donor organizations. In addition to statutory audit it carries special audit of insurance, banks, BJMC, BTMC, BSEC, BCIC, BSFIC, REB, PDB, DESA and company's listed with stock exchange. It also offers consultancy services in such areas as inventory, Receivable, asset, human resource, procurement, liquidity & financial planning, Feasibility study, Accounting & financial system design, Accounting system training, Implementation & monitoring, Net worth valuation, Financial viability study, Computerized General Ledger, Receivable & inventory accounting system design & implementation. However, it is hugely involved in Income Tax and Company Secretarial Service.

2.2 Mission:

- To encourage and maintain the quality of its members in the specified specialized area of operation in Bangladesh.
- In order to achieve the above objectives, the following competencies for the profession Accountants and Finance will be instituted.
- To upgrade the image of the accounting profession in all the sectors of the economy.

2.3 Vision:

Though we eliminate the conventional auditor and client nexus by being your Trusted Business Advisors.

2.4 Company Address & Partners Profile:

Address; Home Town Apartment-87(Level-15), New Eskaton Road,

Dhaka-1000, Dhaka, Bangladesh

Name of the Firm	Partners Name
Kazi Zahir Khan & Co	Kazi Zahirul Kabir. FCA, Partner
	MD. Nurul Hossain Khan, FCA, Managing Partner
	Mohammed Enamul Haque Khan, FCA, Partner
	Md. Nazmul Karim, FCA, Partner
	Md Aminul Islam, FCA, Partner

2.5 Core Value of Kazi Zahir Khan & Co (KZKC) , Chartered Accountants:

The professionalism and quality services provided highlights the firms' value and way in which it handles its clients. These are the fundamental principles that define our company's positions and the ways it operates. In our every effort - we always upheld:

- Quality is an obligation.
- Establishment of competency and self assurance for universal triumph of the firm.
- Co-Operation is incorporated into how we meet the expectation of clients.
- Culture is comprised of trust, respect and integrity in the way of dealing with people.
- Developing know-how toward the sustainable growth through learning of experience.

2.6 Goals of Kazi Zahir Khan & Co. (KZKC), Chartered Accountants:

KZKC, Chartered Accountants specially provide quality services to the client such as financial services, Audit and assurance, Compliance and secretarial and VAT & Tax management (NGO) .

2.7 Strategic Objectives:

Client Satisfaction:

Actually the maintain client satisfaction as regards the financial services delivered to their doorsteps through accurate and timely delivery in order to develop strong business associations.

Expertise Development:

Keep the team current on latest carriers' trends and procedures to deliver superior financial advice to teams.

Market Expansion:

New market/Industry is another area that needs focus on how to attract the new client and offer new services.

Risk Management:

Starting creating sound management measures to help the firms and clients in minimizing their risk exposure financially and reputationally.

Financial Performance: Over all promote the financial growth that is continuous by focusing on expenditures and efficiently using income sources.

Brand Building:

Marking a brand through engaging advertising channels, extensive image, engagement, and leadership in the community. Expliciting the connection is that attaining these objectives with the help build action plan would help the firm to better align the company vision and mission and therefore increase its chances of success and competitiveness on the markets.

2.8 Service Overview:

Audit & Assurance

Accounts & Taxation

Asset Management

Business Advisory

VAT & AT Refund

2.9 SWOT Analysis of KAZI ZAHIR KHAN & CO

The SWOT analysis of KZKC is the following:

1. Strength: Another strength of KAZI ZAHIR KHAN & CO (KZKC) is in the brand area where they are one of the best chartered accounts of Bangladesh whom has joined with BAKER TILLY International which makes a difference in branding. Besides this they are also churning out high quality of qualified chartered accountants and other professionals every year. Othersides, they have a big amount of client base they are able to tend to since they have links to the elite corporate personalities towards Non- profitable company.

Last but not the least, current partners of the firm have very good relations with ICAB and this give a big advantage to the business and low restriction on Non - profitable company .

2. Weakness: The major threat identified in the current analysis is the work environment of KZKC because their internal environment is not far good for work. Moreover, elevated work stress and timeliness are provided to the article ships and professionals which is undesirable. Third, because CA passing success rate is little bit low in number, the deficiency of articulated students is thus huge; Therefore the firm employs inexperienced students who are sent to audit service and this reduces the quality of assurance.

In addition, as a client organization's premises is remote from home then audit experts experience a vast geographical handicap and experience staff turnover following the fulfillment of articles. Finally, the employee turnover policy of the firm is really very bad if compared with other firms of Bangladesh.

4 .Opportunity: Asides, CA firms of late that ICAB has implemented few policies some of which include the following. For example, DVC policy has been implemented by ICAB which can go along way in enabling firms to preemptively justify their annual reports and statements.

Consequently, a new DVC policy has been developed by ICAB that can greatly assist firms regarding their documents management (ICAB, 2022). Othersides, there are new startup businesses in Bangladesh which can be the next future potential clients of KZKC . Finally, increasing economy of Bangladesh also help these new businesses to expand further which could be beneficial for KAZI ZAHIR KHAN & CO.

5. Threat: Existence of new potential CA firms is a significant threat to KAZI ZAHIR KHAN & CO. Therefore, many current clients of KAZI ZAHIR KHAN & CO can transfer their firms to avoid the expense of audit. Furthermore, it is nearly impossible to keep identities of the clients concealed since they include working professionals and other non-professionals. Hence, clients can claim against KAZI ZAHIR KHAN & CO if their information gets out. At the end, dearth of experienced and quality CA manpower is one of the major menace for KAZI ZAHIR KHAN & CO since everyone cannot be interested in CA and thus KAZI ZAHIR KHAN & CO face problems in recruiting sufficient number of quality workers.

2.10 Manpower strength / Organogram

Manpower strength much needed in an organization over the world . A range of responsibilities for conducting audits, including auditors, administrators, and support personnel. As they consult other organization and external audit , they must need well strength manpower to serve properly to their clients .For improving the strength of their manpower they are more cherishing to do such a thing which make them experienced. Realtime experience is great idea to improve manpower strength.

Organogram here ,

Audit Partners

A group of FCA partners are the CEO or the main lead characters in a firm holds final accountability for the audit opinion, ensuring adherence to professional standards and authorizing the audit report.

Audit Manager:

Oversees the entire audit process for a client, including planning, delegating tasks, reviewing completed work, and presenting findings to the client.

Audit Senior/Supervisor:

Leads a team of staff auditors, supervises specific audit sections, and ensures quality control over the work performed by their team

Staff Auditor / team member (Entry-Level):Conducts fundamental audit tasks such as reviewing documents, analyzing data, testing transactions, and collecting evidence to substantiate audit conclusions.

2.11 Role of personnel

Personnel in an audit firm, including staff auditors, audit managers, and partners, play a vital role in assessing a company's financial records and procedures to ensure accuracy, legal compliance, and effective internal controls. They conduct detailed analyses, identify potential risks, and offer recommendations to enhance the client's financial practices, ultimately serving as independent verifiers of financial information

General Responsibilities of Audit Personnel:

- **Risk Evaluation:** Assessing potential risks of material misstatement in financial statements.
- **Internal Control Assessment:** Reviewing the effectiveness of internal controls in preventing fraud and errors.
- **Financial Statement Review:** Analyzing and verifying the accuracy of financial statements.
- **Data Examination:** Applying analytical procedures to detect irregularities and potential concerns.
- **Client Interaction:** Communicating audit findings and providing recommendations to management.
- **Report Preparation:** Compiling comprehensive audit reports that document findings and conclusions.

Audit Partners

A group of FCA partners are the CEO or the main lead characters in a firm holds final accountability for the audit opinion, ensuring adherence to professional standards and authorizing the audit report.

Audit Manager:

Oversees the entire audit process for a client, including planning, delegating tasks, reviewing completed work, and presenting findings to the client.

Audit Senior/Supervisor:

Leads a team of staff auditors, supervises specific audit sections, and ensures quality control over the work performed by their team

Staff Auditor / team member (Entry-Level):

Conducts fundamental audit tasks such as reviewing documents, analyzing data, testing transactions, and collecting evidence to substantiate audit conclusions.

I did work as staff auditor or team member of the auditing firm .

2.12 Audit Administration followed by the CA Firm

When a Chartered Accountant (CA) firm manages audit administration, it supervises the entire audit process for a client's financial statements. This involves planning, performing audit procedures, evaluating findings, and providing an audit opinion while ensuring adherence to professional standards and regulatory requirements. In Bangladesh, CA firms follow the guidelines established by the Institute of Chartered Accountants of Bangladesh (ICAB).

Key Aspects of CA Firm Audit Administration

1. Professional Expertise

- CA firms are authorized to conduct audits as their members hold the Chartered Accountant (CA) designation, demonstrating proficiency in accounting, auditing, and financial analysis.

2. Regulatory Compliance

- Audits performed by CA firms must align with International Standards on Auditing (ISA) or equivalent local regulations to ensure uniformity and high-quality audit practices.

3. Key Stages of the Audit Process

- Client Onboarding & Planning: Evaluating the client's business operations, identifying risks, and designing an audit strategy.
- Risk Evaluation: Analyzing potential risks that could lead to material misstatements in financial statements.
- Internal Control Review: Assessing the efficiency of the client's internal controls in preventing fraud and errors.
- Substantive Testing: Conducting detailed checks on financial transactions and account balances for accuracy and reliability.
- Audit Reporting: Formulating the audit opinion based on findings and discussing critical insights with the client.

CHAPTER- 03:
The Audit Procedures of Kazi Zahir Khan & Co:

3.1 The Audit Procedures of Kazi Zahir Khan & Co:

I had been interning in Kazi Zahir Khan & Co and i was working as an intern in this Kazi Zahir Khan & Co Chartered Accountants for more than three months. The work-related activities are discussed below:

Assisting in Audit Engagements:

As an intern, I supported audit teams by performing various tasks related to audit engagements, including testing internal controls through transaction reviews and balance confirmations, and gathering audit evidence.

Documentation: As an intern, I was responsible for organizing audit records, including working papers, conclusions, and graphs. I also presented audit findings in a format consistent with firm standards and applicable regulations.

Collecting Documentation: In the third step, we collect the NOC and 23B form from the previous auditor (if required) to facilitate reconciliation. The client is also expected to provide relevant documents like TIN, BIN, and incorporation certificates. During the audit, we may issue memoranda to the client seeking further information, confirmations, or clarifications to complete the audit process.

Deployment of Audit Team:

Then after getting all necessary documents from Kazi Zahir Khan & Co., Chartered Accountants through memorandum issued, on the basis of this audit program, a team is established. Last five audit I was the part of the team that's blessing for me to get some ideas for overall audit process lokale gruppe.

Data Analysis and Review:

As an intern, I was responsible for analyzing financial data, identifying trends, and performing analytical procedures to assess the reliability of financial information. I also examined client documents and records to identify potential issues.

Research and Compliance:

My internship involved researching accounting standards, auditing guidelines, and regulatory frameworks applicable to audit engagements. I also contributed to evaluating client compliance with these standards and regulations.

Client Communication:

In this capacity, as an intern, As an intern, I interacted directly with clients via email, phone calls, and in-person meetings. This involved asking questions about the organization, seeking clarification on audit-related matters, and providing updates on the audit progress of audit work.

Professional Development: Being an intern within the audit firm I participated in various training sessions, seminars, and workshops to improve my technical skills and industry knowledge of audits.

Team Collaboration:

In my internship I was reporting to the audit team members such as senior associate level, audit managers as well as audit partners in the completion of audit engagements. They might work together on projects, consult with practitioners, and author discussions and ideas on group projects.

Adherence to Firm Policies:

During their internship, interns were required to associate with the firm policies, procedures, and ethical standards. This is on issues of, maintaining confidentiality, exercising professional skepticism as well as acting professionally at all times.

Accepting appointment letter:

The audit process began with our client sending an email confirming their acceptance of the statutory audit engagement and outlining the fee structure. After reviewing and accepting these terms, we proceeded to the next stage of the audits.

Engagement Letter:

Following the receipt of the engagement letter, our firm issued a letter of engagement to the client, detailing the audit process, the anticipated completion date, and the adherence to Bangladesh Standards on Auditing.

Verify the Documentation through Crosschecking:

Once the audit team is constituted, the client provides all needed documents including the vouchers, balances, income statements and other financial statements such as the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flow, and ultimately, the statement of financial position. In the following I will explain those documents.

Report drafting:

Once we are through with the error checking of the report, we then create a draft copy of the report for the delivery process and format them as per the audit standard.

Final Audit Report Distribution:

Then in the last phase of the audit process this we are the final auditor's report is issued to state the auditor's conclusion. It is normally subjected to audits, management and employees

who are in charge of the accounting process before it is published. It is hereby affirmed that the following final report has been prepared and submitted to the investors/management as required by the fulfillment of this project.

3.2 Contents of an audit file / Types of Audit documentation

An audit file / Types of Audit documentation

An audit file, also known as an audit working paper file, is a collection of documents prepared by auditors during an audit. These documents provide evidence supporting the auditors' opinions and conclusions. Audit files serve as a record of the work performed, the evidence gathered, and the findings reached. Proper documentation is essential to maintaining the reliability and high standards of the audit process. It also functions as a reference for future audits, enables supervisory review, and ensures compliance with auditing standards.

The contents of an audit file or documentation are typically organized into the following sections:

An audit file is typically divided into two parts:

Permanent File: Contains information that remains relevant across multiple audits.

Current File: Specific to the current audit period.

A. Permanent Audit

File The permanent file includes documents that are consistently referenced across audits, such as: **Client Information:** Organizational structure, key personnel, and ownership details. **Legal and Regulatory Information:** Articles of incorporation, partnership agreements, contracts, and lease agreements. **Accounting Policies:** Summary of accounting policies and principles applied by the client. **System Descriptions:** Details of internal control systems and IT environments. **Previous Audit Reports:** Copies of prior year audit reports and key findings. **Significant Contracts:** Long-term agreements such as loans, leases, and supplier contracts.

B. Current Audit :

File The current file includes all documentation related to the audit of a specific financial period. This includes:

A. Planning Documents **Engagement Letter:** Agreement between auditor and client outlining the scope and terms of the audit. **Audit Plan:** Strategy and approach for conducting the audit. **Risk Assessment:** Identification and evaluation of material risks and their impact. **Materiality Levels:** Determination of materiality thresholds for the audit.

B. Evidence and Working Papers **Test Results:** Details of tests conducted on controls and

substantive procedures. Trial Balance: Reviewed and adjusted trial balance for the period under audit. Reconciliations: Bank reconciliations, inventory counts, and other supporting reconciliations. Confirmations: External confirmations (e.g., bank balances, accounts receivable). Analytical Procedures: Trend analyses, ratio analyses, and comparisons with prior periods. c. Findings and Issues Audit Queries: Documented questions and responses from management. Identified Misstatements: Details of errors, adjustments, or misstatements detected. Internal Control Weaknesses: Findings related to deficiencies in the internal control system. d. Auditor's Conclusion Summary of Findings: Key audit issues and their resolutions.

Audit Adjustments: Proposed and accepted adjustments to the financial statements.

Representation Letter: Written confirmation from management regarding the accuracy of information provided. **Final Audit Report:** Opinion issued by the auditor on the financial statements.

Additional Components Checklists and Compliance: Checklists for compliance with applicable standards (e.g., IFRS, GAAP). **Correspondence:** Communications with the client, legal advisors, and regulators. **Sign-offs:** Auditor and reviewer sign-offs at various stages of the audit. **Importance of Audit Documentation Evidence of Work Performed:** Demonstrates compliance with auditing standards. **Basis for Conclusion:** Provides support for the auditor's opinion. **Quality Control:** Enables review and supervision by senior auditors or external regulators. **Future Reference:** Acts as a record for subsequent audits or investigations.

3.3 The audit evidence collection procedure

Auditing involves gathering and assessing evidence to support findings, conclusions, and opinions on financial statements or other audited matters. The quality and quantity of evidence determine the accuracy and reliability of the audited information

Types of Audit Evidence

Physical Evidence: Inspection of tangible assets such as property, plant,

land, buildings, machinery, vehicles, equipment, raw materials, work-in-progress, and finished goods, and inventory counts).

Documentary Evidence: Review of documents like balance sheets, financial statements, contracts, invoices, purchase orders, and receipts..

Analytical Evidence: - Analytical evidence: This type of evidence encompasses ratios, trends, or simple comparisons, which somehow make the figures of an entity more reasonable.

Testimonial Evidence: Statements recorded or given by employees or management in person or by voice recording. However, this is often less reliable than documentary evidence.

Observational Evidence / External evidence: Independent evidence includes bank confirmation letters, legal opinions, and third-party contracts.

ii) Gathering Information

Inspection: Examining records, documents, and assets to verify their existence and accuracy.

Observation: Watching processes, procedures, or activities, such as inventory counting.

Inquiry: Asking questions to management and staff, with the auditor assessing responses for reliability.

Recalculation: Verifying the accuracy of financial figures and supporting details.

Reperformance: Independently verifying the effectiveness of controls or procedures, like reconciling bank balances.

Confirmation: Obtaining assurance from third parties, such as confirming account balances with banks or suppliers.

Analytical Procedures: Using trends, ratios, and comparisons to identify anomalies or unusual patterns.

(Larry ,2002)

3.4 Audit responsibilities (Audition & management)

The audit procudes;

Planning the Audit

Develop an audit plan and strategy tailored to the organization's size, structure, and risk factors. Identify key concerns and highlight core issues requiring focused attention.

Evaluating Internal Controls

Evaluate presenting and preparing financial statements for internal control over financial reporting.

Report areas of vulnerability or areas in which there may be inadequacy.

TC Testing Of Transactions & Balances

Perform analytical and documentation procedures, and document tests of controls to verify the accuracy of financial information.

They should be implemented in the purpose of using sampling techniques to assess transactions.

1. Ensuring Compliance

Remove compliance with regulations, laws and standards as an option.

Ensure financial statements adhere to 3accounting frameworks (e.g., GAAP, IFRS).

2. Documenting Evidence

Ensure records are well documented in order to expound on the audits highlighted findings and recommendations.

3. Issuing the Audit Report

Express critical judgment about the prepared financial statement.

Exaggerate any inaccurate facts and any unusual pattern that can be seen from the financial statements.

Those on the management side of the relationship also have specific procedural duties that include the following:

1. Preparation of Financial Statements

Achieve adequate and comprehensive financial statements as per the set standard of assessment.

2. Design and Maintenance of Internal Controls

Adopt and sustain controls for the protection of physical and record-based assets coupled with accurate accountings.

3. making information and knowledge available

Allow auditors to review all books of account, supporting vouchers, documents and the personnel involved in the work.

4. Ensuring Compliance

In their operations and reporting, organizations should follow legal requirements and practices, and reporting rules.

5. Evaluating Risks

Detect and mitigate viable threats to result in the manipulation of financial data or compromise the integrity of an organization.

6. Addressing Audit Findings

Make reasonable responses to the matters or risks pointed out by the auditors. Commit to doing corrective actions so as to correct on the recommendations made by the committee.

3.5 Other Related Activities:

In addition to carrying out those responsibilities as an intern and also a permanent employee of Kazi Zahir Khan & Co., I had to conduct other related activities. The other relevant activities are discussed below:

Operating a Photocopy Machine:

Check whether the photocopy machine is plugged in a power source then adjust the power switch on. Align the document you want to copy face down on the glass or in the document feeder when using this kind of machine. In this case, switch off the machine when one is done since this will help save energy.

Voucher Creation:

Enter basic inputs such as voucher number, date, party name, amount, description of transaction etc.

Client office Visit:

I also go to our client's office for collection of source documents and also give the necessary document as the client wanted.

Secretarial Work:

They also do secretarial and registration work as well as the duties of a receiver together with other company work. The following are the secretariat work–

- Verify the permanent documents.
- Perform analytical procedure relating to opening balance;
- Cross check the FS with the notes to the financial position;
- Verify the assets with asset register;
- Confirm the inventory value;
- Confirm the payable and receivable balance by balance confirmation to third party;
- Confirm the bank balance as at year end from respected bank;
- After confirm draft accounts from client we ensure the further process;
- For firm purpose we have to maintain document's.

3.6 Identified Challenges in the firm:

An internship is a learning by practicing program for every intern. When I joined as an intern I am able to find some limitations of this organization namely KZKC, Chartered Accountants and in the time of performing tasks some problem was arisen for me. The constraints and challenges are discussed below:

Obstacle faced with documentation:

In my first few weeks of the internship program, I am unfamiliar with some of the essential documents required for audit procedures, such as TIN, BIN, NOC, incorporation certificates, and others, which are frequently encountered in daily audit work. On the other hand, in the second stage of the audit procedure, I only sort the documents which will be used in preparing the audit report.

Problem faced with software:

Actually the software is controlled by Kazi Zahir Khan & Co, Chartered Accountants and I really have no clue about this software but I can say there is lots of problem with the software that is accessible through internet. It encompasses automation of an entire process of an audit procedures. It covers the making of audit procedures and can even cooperate with Kazi Zahir Khan & Co, Chartered Accountants Software. But the problem was that the internship was not permitted to login the core software of Kazi Zahir Khan & Co, Chartered Accountants.

Inconsistency in work:

In this department, I observed employment issues of various concerns throughout my internship period. Any two or more officers working on a task must cease working at once or transfer to another task, or produce new forms. I also received the same inadequate and uneven distribution of labour as the consequence.” When I was at work the others brought me another one and I didn’t take the first; one. It is therefore up to the present date that the earlier work is still missing. This, in turn, leads to the fact that such problems in the workplace are solved, albeit not faster.

Inadequate facilities for interns:

Even office Wi-Fi, ERP, user ids or passwords were not available to interns at Kazi Zahir Khan & Co, Chartered Accountants, As a result, when I was writing this report I used my mobile data which is very expensive.

Limitation in gaining knowledge of the department:

I had suffered from inadequate information as officials eject me to ensure I engage through other activities in the department concerning confidential aspects.

Understanding teamwork: Intern problem or internship challenge is to understand teamwork because teamwork, in the professional setting, is vastly different from the university projects miscommunication and misinterpretation of the actual goals / objective of the project, as well

as having different perceptions from other members within the group work differ from that of the actual group work. Moreover, I have realized that any mishaps in internal communication creel my work. Quite often, I am uncertain how to dispose of most matters.

Audit Risk

Audit risk refers to the possibility that an auditor may mistakenly express an opinion that a company's financial statements are accurate when they contain material misstatements. This can have significant consequences for the business .

Components of Audit Risk

- **Inherent Risk (IHR):** The likelihood of misstatements occurring due to errors or fraud, independent of internal controls.
- **Control Risk (CR):** The probability that a company's internal controls fail to prevent or detect errors.
- **Detection Risk (DR):** The chance that auditors fail to identify existing misstatements in the financial statements.

Mitigating Audit Risk

- **Risk Assessment:** Identifying and evaluating potential risks early in the audit process.
- **Internal Controls:** Ensuring that the company has strong controls in place to prevent and detect errors.
- **Audit Procedures:** Implementing effective audit techniques to minimize the risk of misstatement.

Audit Risk and Acceptable Risk

Acceptable audit risk represents the level of risk an auditor is willing to accept when issuing an unqualified opinion, despite potential material misstatements in the financial statements.

(Adeeb, 2017)

Audit Risk Formula

Audit risk is determined using the formula:

$$\mathbf{AR = IHR \times CR \times DR}$$

3.7 Mismatch Between Academic Preparation and Assigned Task:

Thus it can be taken up that through the internship program offered for the learning real knowledge from the organization and comparing it to the theoretical study which we acquired from our university and from our classes. Nevertheless, there is a growing gap between the conception of general and specific theory and actual practice. This is also proved when I experienced a kinda of mismatch between my theoretical study and the allotted job in Kazi

Zahir Khan & Co ,Chartered Accountants. The mismatch between the assign task and academic study are given below:

Practical Training: As it is with most university studies, the teachers only explain to us the concepts that are there. Prior to this internship program, I had never heard about practical training in CA Firm. Thus for the purpose of training it should be providing training practically in various organizations.

Customer Management:

The other difference between the academic study and the internship study is customer management. It can be noted that for a CA Firm, customer management is very much importance. After the In the internship program, I came to understand of how to handle a customer. Therefore in academic study university should also educate on how to handle a customer.

Less Industry Visit:

A field trip is essential for gaining practical knowledge, as I believe. Some of the theoretical courses we've taken would greatly benefit from industry visits, which could provide us with valuable real-world experience. If given the opportunity to experience the corporate world firsthand, it would better prepare us for future challenges. Undoubtedly, corporate engagements play a crucial role in understanding workplace dynamics and bridging the gap between theory and practice..

Gaps in Knowledge and Skills:

Universities should develop facilities and programs that enhance students' ability to actively participate in organizational activities and bridge the gap between academic knowledge and practical, real-world experience.

Limitations in Organizational Activity: It is useful to note the difference between theoretical analysis and identifying empiric regularities. It does raise the issue of difference between the specified work, and other tasks assigned within an organization. Because of my qualification in Accounting & Finance, I am not well acquainted with products of this Tech Company. It was a little difficult for me to explain overall VAT activities of the finance division.

Data Analysis:

Data analysis method therefore is another important component of the any organization. At our university, we have a course known as Business Research Methodology and our teacher demonstrates how to how to doing data analysis for the assignment by one class trip is essential for acquiring practical knowledge. Certain theoretical courses require industry visits, which would greatly enhance our understanding by providing real-world experience. Having the opportunity to experience corporate life firsthand would help us better prepare for future challenges. Corporate engagements are invaluable in understanding the dynamics of a workplace and what truly happens in professional settings.

Knowledge and Skills Gaps:

The university should establish facilities that encourage students to engage more actively with organizational activities, bridging the gap between academic knowledge and practical, real-world experience.

Limitations in Organizational Activities: There is a notable difference between theoretical concepts and their practical application. A gap exists between the assigned tasks and the broader operational duties within the organization. As someone with a background in Accounting & Finance, I found it challenging to understand the products of this tech company. It was also difficult to grasp the full scope of the VAT activities within the finance division.

Data Analysis:

Data analysis method is another important part of the of the any organization. Through our university conduct a course Business Research Methodology and our teacher teaches how to how to doing data analysis for the assignment by the one class. But this one class is not enough for us. Because of this, we lack proper knowledge concerning data analysis.

3.8 Missing Knowledge and Skills Need to be Learned:

Learning Curve:

The fast-paced audit environment can be overwhelming for interns, especially those new to accounting and auditing. Understanding intricate audit methodologies, accounting rules, and sector-specific regulations can be challenging for individuals without sufficient knowledge of accounting standards.

Time Management:

From the interns' viewpoints, multitasking is a common phenomenon thus it is always hard to manage to meet all the set deadlines. Work management skills are critical to determining what should be accomplished and when, especially in the presence of competing and heavily laden schedules.

Complexity of Assignments:

There are very likely to present challenging audit jobs, which entails interns to solve them using their skills on critical thinking, keen scrutiny as well as problem solving skills. Gaining knowledge of how clients work, how they manage their money, and the existence and function of internal control may be complex and may require a lot of effort, especially in unknown areas of operations.

Communication Skills:

In auditing, communication can be defined in interaction with the client, understanding audit queries, or relating results to other team members. One of the challenges that can arise with

interns can have limits in communication including fluency in a second language, confidence, or general ability to explain audit concepts clearly.

Professional Relationships:

That is why developing professional rapport with individuals in the work setting: colleagues, supervisors and clients is crucial for an intern. These are the questions that greet any intern in the audit team: how quickly can you fit in? Where do you go if you need help? How do you manage interactions with other people?

Work-Life Balance:

The work of an intern might learn other activities or personal responsibilities, and their own well-being. The rigorous schedule and time constraints, along with the requirement for quantitative results, may adversely affect an intern's well-being and work-life balance.

Feedback and Development:

Feedback session and option for self-improvement are the essential conditions of the internship. It may be difficult for interns to ask for feedback, comprehend what one might need to improve on and how they can work towards improving on their areas of deficit in the competencies they wish to gain.

Adapting to Firm Culture: Every audit firm has institutional identity, ethos, organizational climate, and environment. M4: Interns may face difficulties in adjusting to the firm's culture, policies, and expectations, especially if they contrast with the norms of their academic environment.

Ethical Dilemmas:

This paper explores ethical issues that may arise for interns during audit engagements, such as conflicts of interest, confidentiality concerns, and pressure to compromise professional integrity. Sustaining professionalism and ethical practices involve strength and ethical practice in ethical circumstances.

3.9 Bangladesh Standards on Auditing (BSA)

BSA refers to the guidelines and standards implemented in Bangladesh for auditing. These align with International Standards on Auditing (ISA) established by the International Auditing and Assurance Standards Board (IAASB) to ensure high-quality auditing practices.

Key Aspects of BSA

Objectives

As sure that the companies attain the right accuracy of financial statements,
offer opinion and advice to auditors regarding planning, conducting and reporting.
Put into place a standard format of assessing audit procedures in Bangladesh.

Applicability

The BSAs are required for all statutory audits done by the auditors in Bangladesh by the Companies Act of 1994.

It accustoms to audits of financial statements of all types of companies involving large and small business organizations from various industries.

Structure of BSAs

The BSAs cover all stages of an audit and are divided into the following categories:

1. New York, USA, 1967 General Principles and Responsibilities

BSA 200: From the perspective of the independent auditor, purposes of any audit as well as the strategic goals.

BSA 210: The choices for responding to coordination and control issues in audit engagements include auditor, management, and both auditor and management.

BSA 220: This paper aims at developing a checklist of quality control for an audit of financial statements.

BSA 240: Specific obligations of Auditor when it comes to fraud in an audit.

2. Risk Assessment and Response

BSA 300: Decision making for the audit of financial statements.

BSA 315: An understanding of the nature of risks to avoid material misstatement of a company's financial statement.

BSA 330: Auditor's reaction to the risk that has been identified and measured.
(Adeeb , 2017)

3. Audit Evidence

BSA 500: Audit evidence.

BSA 505: External confirmations.

BSA 540: S.Items that have already been partially implemented, for example, auditing of accounting estimates such as fair value accounting estimates. (Adeeb , 2017)

4. Using Work of Others

BSA 600: Group Audit Specificities—Audits of group financial statements.

BSA 620: From a work of an auditor's expert. (Adeeb , 2017)

5. Years of Enduring Audit Conclusions and Reporting

BSA 700: focuses on forming an opinion and reporting on financial statements, ensuring they present a true and fair view, as described by Mason.

BSA 705: These changes reflect the auditor's judgment on the fairness and reliability of the financial statements.

BSA 720: The duties of the auditor concerning other information . (Adeeb , 2017)

Adoption and oversight relationship Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) is responsible for prescribing and enforcing BSAs. Auditors practicing in Bangladesh must strictly adhere to these standards to comply with national regulations.

Importance of BSA

Consistency: Provides a benchmark for the type of audited work that should be expected by various organizations.

Transparency: Improve the reliability of financial statement through the provision of check and balance through systematic performance of audits.

Accountability: Recognizes and defines the duties of auditors and management.

Global Alignment: Enables recognition of financial statements audited in accordance with these standards internationally.

3.10 Structure of an Audit Report

An audit report typically contains the following sections:

1. Title and Addressee

Title: Independent Auditor's Report

Addressee: Commonly given to the shareholders or the board of directors.

2. Opinion Section

Types of Audit Opinions

Auditors provide different types of opinions based on their assessment of a company's financial statements. These opinions indicate whether the financial statements give a true and fair view in accordance with the relevant accounting standards.

Unmodified (Unqualified) Opinion

Issued when the financial statements are accurate and comply with accounting principles. Confirms the absence of material misstatements or issues. Considered the most

favorable audit opinion.

Example for an Unmodified Opinion:

In our professional judgment, the financial statements present a true and fair view of [Entity Name]'s financial position as of [Date], as well as its financial performance and cash flows for the year ended, in accordance with [Applicable Standards].

Qualified Opinion

Given when the financial statements are generally reliable but contain specific misstatements or limitations that do not significantly impact the overall financial position.

The auditor provides a qualification paragraph explaining the issue.

Example: A company omits certain required disclosures while the rest of the statements remain accurate.

Adverse Opinion

Issued when financial statements contain material misstatements and fail to comply with accounting standards. Raises serious concerns about accuracy, reliability, and transparency. Can lead to regulatory scrutiny and loss of investor confidence.

Disclaimer of Opinion

Provided when the auditor is unable to obtain sufficient evidence to form an opinion. May arise from restricted access to financial records or lack of management cooperation. Indicates uncertainty regarding the reliability of the financial statements. Each type of audit opinion plays a crucial role in helping stakeholders evaluate the credibility and accuracy of a company's financial reporting. Proclaims the understanding of the auditor in terms of seeing the whole picture of the financial statements.

Basis for Opinion

Specifies the rules and regulation used such as Bangladesh Standards on Auditing - BSA.

The reviewer can give assurance that the work meets ethical standards as well as independence.

4. Key Audit Matters (KAM)

Emphasizes main aspects of judgment, high/complicated risk, or adjusted matters noted during audit.

Example: Revenue Recognition ; Given the judgment involved in revenue recognition, we identified it as a key audit matter. Our procedures included . Evaluating the characteristics of the source of revenue and the suitability of the revenue recognition policy.

A verification of a sample of the revenue transactions against the policy.

Key Audit Matters (KAM) in Detail

KAM are specific issues that were of most significance during the audit, such as:

Revenue Recognition: Present or historical risks related to products or services, frequent or complex contracts or timing of revenue recognition.

Valuation of Assets: Another traditional approach of amortization testing is impairment testing for goodwill or fixed assets.

Provisions and Contingencies: Litigation risks or warranty provisions.: Litigation risks or warranty provisions.

Tax Matters: Relevant to this, one of the most important elements of accounting practice is to identify deferred taxation.

5. Responsibilities of Management and Auditors

Sets forth management's responsibilities concerning the preparation of financial statements and the maintenance of internal controls.

Specifies the auditor's role in expressing an opinion.

6. Other Information

Remarks with regard to non-financial information contained in the annual report of the entity (if applicable).

7. Signature, Date, and Auditor's Details

Signed by the engagement partner in the auditor's firm name and date of report.

Going Concern in Auditing

They consider whether the entity will be able to carry on its operations for at least one year from the date of reporting. **Positive Going Concern:** No impairments were identified, and the unmodified opinion was issued as part of the baseline assessment .

Material Uncertainty: Certain reasonable uncertainties are present; stated in another section.

Negative Going Concern: Is not likely to survive; may result to an adverse opinion.

Going Concern Examines the ability of the entity to carry its operations in to the next period or remain in operation in the foreseeable future.

If conventional risk mitigation measures are taken, this is disclosed in a section also labeled, 'Risks.'

Example: We identified a key issue that raises significant uncertainty regarding the entity's ability to continue as a going concern, such as [specific issue, e.g., consistent losses, market paradigm shifts, or liquidity shortages].

Applicability of the Going Concern

The going concern concept is used to assess whether an entity can sustain its operations for at least one year from the reporting date. Auditors analyze financial and operational conditions to determine if the company can continue without requiring liquidation or substantial restructuring.

Categories of Going Concern Assessment

1. Positive Going Concern:
 - No major financial issues or impairments are identified.
 - An unmodified audit opinion is provided, confirming the entity's ability to operate normally.
2. Material Uncertainty:
 - Some uncertainties may affect the entity's long-term viability.
 - These uncertainties are disclosed in a separate section of the audit report.
3. Negative Going Concern:
 - The company is unlikely to continue its operations.
 - This may result in an adverse audit opinion or a qualified report, raising concerns about its ability to survive.

Key Considerations in a Going Concern Evaluation

- Financial Factors: Persistent losses, negative cash flows, or high levels of liabilities.
- Operational Aspects: Over-reliance on key customers or suppliers, economic downturns, or production issues.
- Legal and Regulatory Risks: Ongoing lawsuits, non-compliance with regulations, or government actions.
- Management Strategies: Plans implemented to address financial challenges and ensure business continuity.

An auditor's assessment of going concern significantly influences the audit opinion and must be transparently communicated to stakeholders. Example

Scenario 1: Positive Going Concern

Company: XYZ Ltd.

Situation: XYZ Ltd. maintains strong financial stability, demonstrating consistent revenue growth and positive cash flows. The company possesses adequate working capital to cover its short-term liabilities, with no major legal or regulatory concerns.

Assessment: The auditor concludes that XYZ Ltd. faces no significant financial or operational risks. Consequently, an unmodified audit opinion is issued, affirming the company's ability to continue its operations.

The following is detailed example of full audit report where auditor expressed unmodified opinion on the financial statement.

Independent Auditor's Report

To the Shareholders of [Entity Name]:

Opinion

We have also audited the accompanying financial statements of [Entity Name] which include balance sheet at [Date] and income statement, statement of changes in equity and statement of cash flows for the year then ended and the accompanying notes including accounting policies.

In our considered view, the financial statements have been prepared to present fairly the financial position of [Entity Name] as at [Date] and its financial performance and cash flows for the year then ended in accordance with [Applicable Framework].

Basis for Opinion

Our audit was carried out in compliance with the relevant rules of the Bangladesh Standards on Auditing (BSA). We have no connection with the entity and are of the opinion that the audit evidence that have been gathered provides the basis for our opinion.

Key Audit Matters

See KAM section above for an example.

Going Concern

On our assessment we did not detect any real threat or issue that raise substantial doubt with regards to the company's ability to exist as a going concern.

Management Responsibilities

This report is the responsibility of management for both preparation and fair presentation of financial statements as well as internal control.

Auditor's Responsibilities

The aims and objectives are therefore to express a reasonable degree of assurance that the financial statements are not misstated and to include the report and our opinions.

[Auditor's Name and Firm]

[Date]

[Location]

3.11 Procedures: Audit Revenue Cycle, Purchase Cycle, Long-Term Assets, and Short-Term Assets

1. Revenue Cycle Testing

For more detailed information on the revenue cycle, it contains processes concerning sales and collection.

Audit Objectives

Ensure that actual revenues are accurately recorded in accordance with accounting standards and recognized in the correct period. Verify that recorded receivables are valid and recoverable.

Key Audit Procedures

Control Testing:

Assess internal controls with regard to sales authorization, recording and collection.

Seyoch conduct trial runs to test such key controls such as segregation of duties (where there could be separation between sales function, billing and collection).

Substantive Procedures:

Cut-off Testing: Ensure that, transactions taken close to the reporting date are properly identified as belonging to the next period.

Revenue Recognition: Review agreements and perform application controls relating to the revenue recognition criteria.

External Confirmations: Use confirmations to customers to check balances that are outstanding.

Reconciliations: The records should show a good crosstab between sales against cash receipts and bank deposits.

Aging Analysis: Recoverability of receivables should be evaluated by feedback from the aging schedule.

2. Purchase Cycle Testing

The purchase cycle is the process of acquiring and paying for supplies or services.

Audit Objectives

Focus on asset acquisitions, verifying approval authority, the method of approval, the account in which the purchase was recorded, and the corresponding expense account classification.

Check the correctness of the liabilities and the payments made on the business's balance sheet.

Key Audit Procedures

Control Testing:

Discuss also approval mechanisms for purchase orders and payments.

Check for split between responsibilities (for instance procurement, payment, and recording).

Substantive Procedures:

Cut-off Testing: Ensure that acquisitions and corresponding obligations are accrued appropriately in the right period.

Three-Way Match: Purchase orders, invoices, and goods receive notes to be matched to ensure that they are correct or not.

Vendor Confirmations: Check the accounts payable balance with the suppliers and send confirmation to them.

Test Payments: Transactions involve checks should be checked to ensure proper endorsement or compatible supporting instruments.

Expenses Testing: Make sure that all expenses are charged correctly to account codes.

3. Audit of Long-Term Assets

Assets used in operations for more than one year are classified as long-term assets, including property, plant, and equipment (PPE), intangible assets, and investments.

Audit Objectives

Accomplish the existence and recording, valuation, ownership and proper categorization of the assets.

Look at depreciation and impairment, as well as the assessment of amortization.

Key Audit Procedure

Physical Verification: Check for existence through critical review of important long-term assets.

Ownership Verification: Review titles deeds, purchase agreements or registration documents etc.

Depreciation Testing: The satellite's depreciation should be adjusted so that it is once more in line with accounting policies.

Impairment Testing: Look at signs of impairment (i.e. shrinking market or under-representation).

Test for impairments, calculated and assumed.

Additions and Disposals: Make sure that new assets have been accurately acquired and that they have the approval of the organization's management. Consider disposal transactions, or gain/loss calculation.

Capitalization vs. Expense: Be very careful with the costs you identify, particularly the distinction between capital expenditure and operating expenses.

4. Audit of Short-Term Assets

The examples of short-term assets are cash, inventories, receivables, prepaid expenses.

Audit Objectives

Ensure existence and value of short assets and job order costing. Make your data accurate and recoverable.

Key Audit Procedures ;

Cash and Bank Balances:

Make bank reconciliations and also analyze statements.

Bank confirmations for balance agreements and outstanding amounts – Loans/off balance sheet items (loan or overdrafts).

Accounts Receivable:

Conduct the aging of balances and check the recoverability of balances.

Reviews of bad debts allowances and write-offs.

Inventory Testing: Take physical counts of stock and compare the result with the records.

Check consequences of tested and applied valuation methods (FIFO, LIFO, etc.) and identification of conformities with accounting policies.

Prepaid Expenses: Prepare a list of prepaid expenses and review them based on the schedule to confirm if the prior period has been adjusted or not, in addition, calculate the amortization of the period.

Overview of Considerations for All Cycles

Fraud Risk: Criticisms such as management override of controls should be defined as potential fraud risks.

Materiality: Consciousness of the financial areas where changes are likely to leave a large imprint.

Documentation: Make sure that all protocols are recorded all evidence found.

These tests are necessary to verify the totals, precision and validity of the recorded financial information in relation to the revenue cycle, purchase cycle, and assets. If you would like more information regarding a particular procedure then please don't hesitate to contact me.

3.12 Sample Audit Engagement Letter

[Your Firm's Name]
[Your Firm's Address]
[City, State, ZIP Code]
[Email Address]
[Phone Number]
[Date]

[Client's Name]
[Client's Address]
[City, State, ZIP Code]

Subject: Engagement Letter for Audit Services

Dear [Client's Name],

We are pleased to confirm our understanding of the engagement to provide audit services for [Client's Company Name] for the fiscal year ending [Fiscal Year End Date]. This letter outlines the nature and scope of our audit, as well as our respective responsibilities.

Scope of the Audit

Our audit will be conducted in accordance with [Applicable Auditing Standards, e.g., Generally Accepted Auditing Standards (GAAS) or International Standards on Auditing (ISA)]. The purpose of this audit is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position of [Client's Company Name] in accordance with [Applicable Financial Reporting Framework, e.g., GAAP, IFRS].

Responsibilities of the Auditor

As auditors, we will:

- Plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.
- Examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Assess the accounting principles used and significant estimates made by management.
- Evaluate the overall financial statement presentation.
- Communicate any significant deficiencies in internal controls identified during the audit.

Responsibilities of Management

Management is responsible for:

- Preparing and fairly presenting the financial statements in accordance with [Applicable Financial Reporting Framework].

- Designing, implementing, and maintaining effective internal controls to prevent and detect fraud and errors.
- Providing access to all records, documents, and other relevant information necessary for the audit.
- Making available all financial statements and related information, including representations about the accuracy and completeness of the financial data.

Audit Limitations

An audit provides reasonable, but not absolute, assurance that the financial statements are free of material misstatement. Because we rely on sampling and other audit techniques, there is an unavoidable risk that some material misstatements may not be detected. Additionally, our audit does not relieve management of its responsibilities.

Fees and Billing

Our fees for this engagement will be based on the time required by our staff, the complexity of the audit, and other necessary factors. The estimated fee for this audit is [Fee Amount], payable as follows: [Payment Terms]. Any additional work beyond the agreed scope will be billed separately upon mutual agreement.

Reporting

Upon completion of the audit, we will provide you with an audit report containing our opinion on the financial statements. If, during the course of the audit, circumstances arise that prevent us from issuing a report, we will communicate this to you promptly.

Confirmation of Agreement

If the terms of this engagement are acceptable, please sign and return a copy of this letter to indicate your agreement. We appreciate the opportunity to serve [Client's Company Name] and look forward to a successful engagement.

Sincerely,

[Your Name]
 [Your Title]
 [Your Firm's Name]

Acknowledgment and Acceptance

We acknowledge receipt of this letter and agree to its terms.

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

(Client's Company Name)

CHAPTER- 04:
Learned from the Internship Program

4.1 Learned from the Internship Program:

About the opportunities for an intern in an audit firm in Bangladesh, it should be mentioned that there are several important lessons which can be valuable for the intern to learn in order to become a successful auditor or accountant. Here are some key lessons:

Understanding Regulatory Framework:

Who audits the auditors as Bangladesh brought under scanner due to malpractices of whereabouts of the distinct aspects of the regulatory infrastructures are vital like Institute of Chartered Accountants of Bangladesh (ICAB), the securities & exchange commission of Bangladesh, Bangladesh Bank etc. Enhance technical skills through hands-on experience in auditing, accounting, and analysis by working on audit assignments. Acquire knowledge of audit methodologies, accounting frameworks, and sector-specific regulations within the Bangladeshi context.

Communication Skills:

Improving one's communication skills, both oral and/or written for the purpose of engaging clients, team, and many other stakeholders out there. Introduce clear and effective verbal and written communication, listening, and professional manners in numerous specialized contexts.

Critical Thinking and Problem-Solving:

Promote critical thinking skills to solve financial audit problems, assess audit risks, and recommend relevant solutions to audit problems. Acquire skills in developing a logical and analytical approach to solving problems that exist within the course of conducting audit engagements.

Time Management and Prioritization:

About time; how best to organize and deal with numerous demands from the management of working schedules and how to bring them to closure in an audit capacity. Acquire personal and team-organizing techniques to manage several tasks concurrently and divide their working hours among various audits.

Ethical Standards and Integrity:

Learn the need to maintain ethical values and professional conduct in auditing and accounting. Piaba a professional code of ethics, confidentiality standards as well as independence measures in order to keep credibility of profession.

Attention to Detail: Be specific in the approach to a range of audit procedures, financial reports, and recording audit evidence. Credibility is imperative while specific and exhaustive work must be done to achieve reliability and completeness of the audit findings.

Teamwork and Collaboration: Promote team work by fully engaging yourself in audit teams sharing information and offering assistance to audit team partners. Shadow experienced professionals, get external feedback, and collaborate appropriately to fulfill shared audit goals.

Continuous Learning and Development:

Understand the relevance and significance of continuing professional development for the auditors. Continually, keep current with new trends, legal, regulatory or industry informational changes through professionalism, professional development, and professional updated knowledge and training.

Professionalism and Accountability:

Act professionally and being accountable and committed to excellence of audit work. Own tasks assigned and accept the consequences of ones actions while always looking for ways to improve the quality of work and behaviour.

Hands-On Experience:

During my internship program I have realized practical exposure accounting activities including statement preparation and analysis audit and tax fillings.

Networking:

It is always useful to know how to make relationships with other professionals that have more experience than you have which I also learned during my internships.

Self-Reflection and Career Planning:

The analysis of my self and my personal traits is among the effective steps in career development planning since it entails an assessment of one's own contours. In turn, thinking about these elements provides a person with the opportunities to understand, which way to choose in the future career path.

CHAPTER- 05:
FINDINGS , RECOMMENDATIONS AND
CONCLUSION

5.1 Findings

Like any system, no process is entirely free from deficiencies or challenges in its pursuit of effective implementation. During my tenure at Kazi Zahir Khan & Co. Auditors General, I observed several weaknesses in general audit procedures and noted some challenges auditors face while conducting audits. Additionally, I gathered insights from discussions with students and senior staff at the firm, who either led or contributed to audits. Based on these conversations, along with my personal observations, the following shortcomings were identified through a survey I conducted in collaboration with the students and seniors at the firm:

Limitation of Time: Clients tend to engage the firm at the last minute, thereby placing a pressure on its own on the auditors to deliver on the audit.

Quick Rotation in the middle of audit betrothment : In some incidences some of the junior students who took part in one audit process were jumbled and supposed to oversee and manage another audit for some unanticipated purposes. This makes the students fragmentary as far as grasping the overall picture of an audit is concerned.

Lack of Adequate Cooperation from the Client: Frequently, employees of the client organization are hesitant to provide the required documents for the audit in a timely manner. When documents are provided, they are often poorly organized. Additionally, it has been observed that employees of the client organization sometimes behave rudely, act unethically, or are uncooperative with the auditors. Such behavior creates significant challenges in gathering the necessary audit evidence.

Difficulty in Issuing an Unbiased Opinion: GAAS has laid down second standard that auditor shall be independent in his mental orientation. There are times, the frequenter wish to dictate the perception that the auditors have regarding the client, stability and sustainability of going concern. In some instances the auditors give an unqualified opinion to and maintain continuity of the correlation with the firm.

5.2 Recommendations

As Robert H. Schuller pointed out, misfortunes are not roadblocks; they are opportunities for growth. While solutions to problems may not always be immediate, they inevitably follow. Some suggestions on how to mitigate these predicaments are listed below;

- The firm can include a clause specifying the time required to complete the audit and the deadline by which the client must engage their services.
- Ensuring sufficient staffing to prevent reassigning junior staff from one audit engagement to another until the ongoing audit, in which they are involved, is completed, even in extraordinary circumstances.

- Considering the implementation of auditing software such as Cygna Auditor or Netwrix Auditor to streamline processes and reduce the workload on auditors.
- Ensuring the sampling procedure is thoroughly detailed to uphold the highest audit quality standards by the firm. Reporting any non-cooperation by the NGO or attempts to influence the auditors to the regulatory bodies and addressing these issues in the audit reports.

5.3 Conclusion

The internship program helps to relate between the theoretical and the practical circumspection hence the intern gets an latitude to have a broader view of the whole process. It enriches that distinct intern with adeptness and enable the intern in question to experience a given dimension in life of which he or she was once was not privy to. The internship program helps to sort this out as it is not just a simulated exercise; it is totally real. It bridging the gap between what we think is real and unattainable and what we long to be in our minds about job search and the way we think getting a perfect job is so easy. I have tried to describe the audit procedure used in Bangladesh here in this report. Bangladeshi chartered accountancy profession is very popular and none other than Kazi Zahir Khan & Co. Chartered Accountants being at the top has seek to adhere all rules and regulations of ICAB. The firm has been operating successfully along these lines for many years, and hopefully for the coming years as well. But all the same there are some resultant chinks in the process. Due to the high level of dynamism in technology and in the economy, the chartered accountants are shrewd to any success. The firms should seek more ways of pleasurable their clients and diminish work stress from their employees and students. This sector can only be boosted with the help of good resources, and in our case, the articulated students are the accumulation to be partnered with. As for me I wish that the audit procedure of KZKC (Kazi Zahir Khan & Co.) Chartered Accountants, will grow and refine in the upcoming days and the classification of its already good services will gain upgradation as well.

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