

Internship Report On
An External Audit Experience: The Purpose, Role, and Drawbacks

By

Safia Rahman
ID- 19104012

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

BRAC Business School
BRAC University
April 2023

© 2023. BRAC University
All rights reserved.

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Safia Rahman
ID: 19104012

Supervisor's Full Name & Signature:

Dr. Samina Haque
Assistant Professor
BRAC Business School
BRAC University

Letter of Transmittal

Dr. Samina Haque
Assistant Professor
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Madam,

It is my pleasure to present the following information about my internship at ACNABIN Chartered Accountants. I would like to express my gratitude for all your help and advice that you have provided throughout the completion of the report. In addition, I would like to thank Md. Gulam Kibria ACA, Manager, ACNABIN Chartered Accountants for his tremendous assistance throughout my internship at the company.

In order to complete the report in the most significant, compact, and thorough way possible, I have done my best to include the pertinent information. During the writing of my report, I gained a great deal of practical information and experience that will undoubtedly be useful to me in my professional life.

I believe the report will satisfy everyone's needs. Therefore, I would greatly appreciate it if you could inform me of your opinions and ideas on the paper. Again, I would like to thank you for your patience and support.

Sincerely yours,

Safia Rahman

Student ID: 19104012

BRAC Business School

BRAC University

Date: April 18, 2023

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between ACNABIN Chartered Accountants and the undersigned student at BRAC University Safia Rahman.....

Acknowledgment

Working for 12 weeks at a reputable chartered accounting business like ACNABIN Chartered Accountants has been a really unique experience for me because I had the chance to fully integrate my four years of academic study with the real world.

Respected supervisor professor Samina Haque has my deepest gratitude for all her support and advice throughout this time. She was encouraging and offered her insightful advice on how I could improve my report.

I would like to express my sincere gratitude to Md. Gulam Kibria ACA, Manager, ACNABIN Chartered Accountants, for his oversight and direction during my internship. I appreciate all his help, and I thank him. Without his assistance, it would not have been possible for me to complete the report while maintaining my client's confidentiality.

Additionally, I want to thank Mr. Turikol Islam and Mrs. Shamim Akter, two of my job in charges, for their assistance with the planning of the internship term. Without their assistance, I would not have been able to successfully complete my internship at ACNABIN Chartered Accountants.

Finally, I want to express my gratitude to OCSAR and BRAC Business School for providing me with the opportunity to hone my skills through this real-world experience.

Executive Summary

My internship report is titled “An External Audit Experience: The Purpose, Role and Drawbacks” which will be a representation of the 12-week internship program completed at ACNABIN Chartered Accountants. In the following report, I will be addressing the audit procedures followed by ACNABIN along with their purpose of audit. The report will be addressing the stages of an external audit process, the scope of the audit process, limitations imposed by clients, the information gathering process, and the observations of external auditors. Furthermore, in this report, I will also be sharing my experience of working as an external auditor of the leading telecom company that was my client for the 12 weeks internship program. I will be discussing the Audit Practice Manual (APM) stages and address a few things I was only allowed to divulge. I will also include the lessons I have discovered and the obligations I had to meet throughout the audit. To sum up, through the report I will try to convey my thoughts about the whole idea of how ACNABIN conducts its audit procedures and how an external auditor of ACNABIN determines whether their client opinions are presented fairly, and financial statements are all up-to-date, error-free, and trustworthy.

Table of Contents:

Declaration	2
Letter of Transmittal.....	3
Non-Disclosure Agreement.....	4
Acknowledgment	5
Executive Summary	6
Table of Contents:	7
List of Tables.....	10
List of Figures	10
List of Acronyms.....	11
Chapter 1: Overview of Internship	12
1.1 Student Information	12
1.2 Internship Information	12
1.2.1 Organization and Internship Details	12
1.2.2 Name and Designation of On-site Supervisor:	13
1.2.3 Job Scope	13
1.3 Internship Outcomes	14
1.3.1 My Contribution to the Company	14
1.3.2 Benefits to student.....	15
1.3.3 Problems/ Difficulties	17
1.3.4 Recommendations.....	18
Chapter 2- Organization Part	19
2.1 Introduction.....	19
2.2 Organizational Overview	20
2.2.1 Vision.....	21
2.2.2 Mission.....	21
2.2.3 Values	21
2.2.4 Associations	21

2.2.5 Services Provided.....	22
2.2.6 Audit Linkage of ACNABIN.....	24
2.2.7 Organization Structure of ACNABIN	25
2.3 Management System of ACNABIN	25
2.3.1 Planning:	26
2.3.1.1 Assessment of risk and materiality	27
2.3.1.2 Analytical review	28
2.3.1.3 Test of control.....	28
2.3.2 Compilation of Audit Evidence	29
2.3.2.1 Audit Sampling.....	29
2.3.2.2 Evaluation of errors.....	29
2.3.3 Controlling and Documenting.....	30
2.3.3.1 Risk and materiality evaluation	30
2.3.3.2 Factor of Reliability	31
2.3.3.3 Accounting and audit testing	31
2.3.4 Review and opinion	32
2.3.5 Human Resource Planning done by ACNABIN.....	32
2.3.5.1 The Compensation System	33
2.3.5.2 Training.....	33
2.3.6 Audit sequences of ACNABIN.....	33
2.3.6.1 Procedure for Engagement:.....	33
2.3.6.2 Client interaction with new clients	33
2.3.6.3 Engagement with existing clients	34
2.3.6.4 Directly appointment from the clients	35
2.3.7 Audit Procedure followed by ACNABIN.....	35
2.3.7.1 Identifying Overall Goals	35
2.3.7.2 Collect and evaluate preliminary data.....	36
2.3.7.3 Assessing general risks	37
2.3.7.4 Assess account specific risks	37
2.3.7.5 Create an audit plan that is both effective and efficient.....	38
2.3.7.6 Conduct audit testing	38
2.3.7.7 Evaluate and communicate audit results.....	38

2.4 Financial Performance:	40
2.5 Industry and Competitive Analysis.....	41
2.6 Conclusion	43
Chapter 3: Project Part	44
3.1 Introduction.....	44
3.1.1 Background.....	44
3.1.2 Objectives	45
3.1.3 Significance.....	45
3.2 Methodology.....	45
3.3 Findings and Analysis.....	46
3.3.1 Purpose.....	46
3.3.2 Role.....	46
3.3.3 Drawbacks.....	47
3.4 Conclusion	48
3.5 Recommendations.....	49
Reference	50

List of Tables

Table 1: Materiality Rates	31
----------------------------------	----

List of Figures

Figure 1: Name of Partners.....	20
Figure 2: Audit Linkage.....	24
Figure 3: Organogram.....	25
Figure 4: Audit steps of ACNABIN.....	39
Figure 5: SWOT Analysis.....	43

List of Acronyms

FCA	Fellow Chartered Accountant
CA	Chartered Accountant
ACA	Associate Chartered Accountant
ISA	International Standards on Auditing
IAS	International Accounting Standards
ICAB	Institute of Chartered Accountants of Bangladesh
APM	Audit Practice Manual
BSA	Bangladesh Standards on Auditing
SEC	Securities and Exchange Commission
IFRS	International Financial Reporting Standards
GAAP	Generally Accepted Accounting Principles
IASB	International Accounting Standards Board
CIDA	Canadian International Development Agency
USAID	United States Agency for International Development
NGOAB	NGO Affairs Bureau

Chapter 1: Overview of Internship

1.1 Student Information

Name: Safia Rahman

ID: 19104012

Department: BRAC Business School

Major: Accounting

Major: Finance

1.2 Internship Information

1.2.1 Organization and Internship Details

Internship Duration:

On September 19, 2022, my internship program at ACNABIN Chartered Accountants officially began. While looking for an internship position, I came across a lot of circulars, but since ACNABIN Chartered Accountants was a Chartered Accountants (CA) firm I grabbed the opportunity since I dream of becoming a Chartered Accountant (CA) in the future. My internship program ends on December 19, 2022, however, if I register myself as an article student in the firm then I can work as an audit associate for three years in the firm.

Company Name: ACNABIN Chartered Accountants

Department Name: External Audit. The external audit department of ACNABIN Chartered Accountants holds over 100 articulated students alone, and over 50 interns are undergoing training to work in this department.

Address: BDBL Bhaban (Level-13), Kawran Bazar Commercial Area, Dhaka-1215

1.2.2 Name and Designation of On-site Supervisor:

Name: Md. Gulam Kibria ACA

Designation: Manager

1.2.3 Job Scope

Job Description: After receiving a hopeful call immediately after the interview with the partner, Muhammad Aminul Haque FCA, the following step was to attend an intensive training session for the first two weeks prior to joining. I came into this company knowing nothing about what was to come because I was absolutely new to the industry. This initial training session was critical in bridging the gap. In these two weeks, I was given an overview of how everything works and what it entails. Every day, two of my job in-charge would arrive and thoroughly explain a particular concept to me. ACNABIN has provided me with the opportunity to accustom myself to the audit system of the company and educate me on how to perform a statutory audit for my first client, Grameenphone Ltd. The major elements and the significance of working in an audit firm are that I got to learn about the background of the host company, the audit system, methods, and the management process of the company. Getting the opportunity to audit Grameenphone Ltd. via ACNABIN has given me the opportunity to learn about the analytical procedures and inspection procedures that an auditor conducts. Grameenphone Ltd., my first client as an intern, has helped broaden my knowledge on how to deal with the management of fixed assets and revenue via using a system named “ORACLE.” In a nutshell, the techniques, processes, and methods used by ACNABIN to obtain reliable audit evidence enabled me to learn how to make informed decisions about the financial conditions of an organization.

ACNABIN Chartered Accountants typically hires candidates or articulated students committed to staying with the company for three years. If they lose a developing potential candidate, they consider it a huge loss for the firm, especially after the intensive training. This is because none of

the interns add value to the company during their first few months, so they only recruit potential candidates who have made a strong decision of studying chartered accounting.

Job Responsibility: Once my two weeks of training were completed, I was assigned to perform one control and calculate depreciation of the Fixed Asset of Grameenphone Ltd. I was also responsible for conducting the Test of Control and Test of Details along with preparing the working paper files of Grameenphone. The control that I performed was (GP) Verification of goods/services rendered. I was also introduced to the Master Roadmap which consisted of all the controls that had to be performed for the Fixed Asset verification of Grameenphone Ltd. I was asked to go through the Roadmap thoroughly so that I get an idea about each control and assist my job in charge with all the clerical work needed to perform the controls. Moreover, I was also appointed for a site visit where I was sent to Grameenphone Ltd.'s warehouse in Gazipur for inventory counting and site inspection.

1.3 Internship Outcomes

1.3.1 My Contribution to the Company

As an intern, I was not assigned any specific tasks. The team that I was allocated to was responsible for completing the statutory audit of Grameenphone Ltd. for the year ending 31st December 2022.

The first thing I was assigned to do every morning was to go through the Audit Practice Manual (APM). My supervisor had asked me to put a lot of emphasis on reading the manual thoroughly as it would help me understand the procedures on how statutory audits should be conducted. My next task was to go through the IFRS and ISA books to get a broader view of the different policies. One month after joining the firm, I got introduced to the reporting deadline season which started in mid-November of 2022 till the end of January 2023. In comparison to other times of the year, the workload was concentrated during this time. Moreover, ACNABIN frequently hires new interns solely to help them deal with the massive workload that has piled up during this time period.

During this hectic season, my manager gradually began to put me in charge of live tasks. My tasks would then be reviewed by him before being sent to the client, with any necessary changes made.

I was asked to check if all documents were provided by the client to perform the controls. It was my responsibility to negotiate with the client on a regular basis to get hold of all the documents while performing the controls. I also was given the responsibility of sending emails to the client requesting the documents. However, since I was an intern all my emails were reviewed by my job in charge prior to sending them.

Finally, if ACNABIN Chartered Accountants choose to hire me after my internship tenure, they will further train me on how to perform internal branch audits and tax audits as well.

1.3.2 Benefits to student

- **Industry Knowledge:** I have joined an organization with no prior hands-on experience or knowledge about how an audit firm operates. Joining ACNABIN Chartered Accountants has helped me gain more knowledge about the telecom industry in Bangladesh since my first client was Grameenphone Ltd. I have got insights into how a telecom company operates, its policies, and laws. I also got to speak to a high official, the Finance Reporting Head of Grameenphone Ltd. for instance.
- **Company Behavior:** ACNABIN Chartered Accountants are completely aware that interns know nothing about how a firm operates. Then how they hire interns is a good question to ask. Well, I have heard from my seniors that it might take just a few months or even a whole year for someone to grasp the techniques of auditing. However, ACNABIN is lenient enough and allows employees to learn at their own pace because eventually one day they will get a hold of it. Nevertheless, ACNABIN is very strict towards one policy which is misbehavior. It has strict policies and a code of conduct against misbehavior. One good thing about ACNABIN is that they hold daily meetups for employee refreshments. And

during my internship tenure, I was fortunate enough to participate in their one-dish party which was conducted during the busy season to make us feel a bit relieved from work for a day.

- **Adapting to technology:** During my internship tenure I had the opportunity to learn how to use the ORACLE Fusion System. This system is used by Grameenphone Ltd. to record their day-to-day operations. Starting from weekly General Ledgers to monthly, quarterly, or yearly trial balances, all are available in this system. During these three months, I got a very good hold on how to operate this new technology. Furthermore, MS Excel, MS Workbook, and Microsoft Outlook are three extensive tools that are used on a regular basis. And in my 3-month internship tenure, I have worked so much with these tools that now I am proficient enough to work on all these tools without operating the mouse.
- **Allocation of Time:** As I referred earlier, one month after I joined as an intern, the busy season started. I got to understand how to meet up with deadlines that were impenetrable. I witnessed the huge burden that my team members had to deal with yet they were constantly keeping up with the reviews of our partner sirs' and I have been there helping them throughout the day.
- **Confidence Buildup:** Because I am an introvert, I have never been confident. Making friends was difficult for me, and striking up a conversation with someone unfamiliar seemed almost impossible. ACNABIN Chartered Accountants has turned my life upside down since day one. It is difficult to go unnoticed and remain silent in an audit firm. In my office, I was never alone. I had no idea that gradually I was getting out of my comfort zone and blending in with everyone and everything. I'm overjoyed that people accept me for who I am. I met people who became more vibrant in my presence. I felt a sense of belonging within a short period of time, which boosted my trust in myself.

- **Analytical Skills and Critical Thinking:** When conducting an audit, the usage of analytical thinking is essential to draw conclusions. ACNABIN has assisted me in developing analytical skills that will allow me to reach more conclusive conclusions when auditing a company's processes. These skills have assisted me in demonstrating my own expertise to businesses. Critical thinking assisted me in drawing logical reasoning to solve problems. While reviewing a company's records, auditors can think critically in order to make the best recommendations to management. As a result, while understanding audit results is a plus, being able to deliver results that businesses can act on is even better. As a result, ACNABIN has successfully taught me how these actionable solutions can help businesses improve their rules and practices, making future audits quicker and less stressful.
- **Negotiation and Leadership Skills:** One of the biggest advantages of working in an audit firm has helped me develop my negotiation skills. I constantly had to negotiate with my client and persuade them to hand me over the required documents for control performing purposes. Likewise, constant negotiations have also helped me enrich my leadership skill as at times without my job in charge by my side I had to take the lead to speak to executives and this has helped me develop a positive relationship with my client as well.

1.3.3 Problems/ Difficulties

- **Time Hindrance and Safety Concerns:** I needed to write down my internship report to finish my bachelor's degree, but the tremendous long hours I had to work in my office, attend classes of ICAB Certificate Level Exams after office hours combined with the unceasing commute time, took its toll on me. I realized about halfway through that I had only come home to rest before repeating everything the following day. This was especially stressful during the hectic year end season when I had to leave the office after 12 hours of catering my services. I wasn't the only one who got to leave late, but my seniors were already accustomed to leaving for home at that hour. Also, as a girl traveling alone at night on public transport was a huge challenge that I had to face during this period. Furthermore,

not only did I have to work in the client's office at Grameenphone Ltd. but also I had to make frequent visits to the head office of ACNABIN from time to time to drop off documents or attend the review session of our partner sirs.

- **Reduction in Work/Life Balance:** Another thing I noticed about working in ACNABIN was how difficult it was to maintain a balance between personal and professional life. Even as an intern, I had the impression that working alongside my studies consumed almost 90% of my time.
- **Poor Laptop Quality:** I was provided a work laptop by ACNABIN, however, the laptop I was provided with was very old and slow and used to hang quite often which made my overall work progress really slow during the busy season, and this was extremely frustrating.

1.3.4 Recommendations

- ACNABIN should really work on upgrading all their existing laptops as we need to work with very large files and it becomes quite annoying when the laptop keeps shutting/ slowing down during work, it also reduces work enthusiasm as well.
- They should really opt for a transportation service facility for females at least. As mentioned earlier during the busy season we are likely to work overtime and unfortunately, our client office is not anywhere near where most of us reside. Hence, transportation service is highly recommended.
- They should consider using auditing software like Cygna Auditor, Netwrix Audit etc. to reduce the load on auditors.
- They should also assign a few specified individuals to carry out the documents from the client office to the head office as it becomes really difficult for the interns to make constant movements.

Chapter 2- Organization Part

2.1 Introduction

This internship report paints a detailed picture of the audit practices and services followed and provided by ACNABIN Chartered Accountants. The three-month internship program provided me with hands-on experience with auditing procedures. The purpose of the report was thus to learn how a chartered accountant audit firm conducts an audit, as well as to gain knowledge and practical experience on how audit work is performed in corporations, businesses, and non-profit organizations.

To avoid financial disasters, any company may require an audit of its financial records in order to be eligible for federal auditing or financial advice, thus, such companies approach an audit firm as audit firms have specialized auditing teams available who are aware of potential hazards and knows every detail on how to avoid them. Thus, it is important for audit firms to know how to ensure transactions, check the accuracy of accounts, and gain shareholders' confidence.

Audit firms prepare monthly and quarterly reports to keep their client up to date. The clients' only source of information is an audit firm. This eliminates the need for the client to consult with multiple people for different reports. Each parameter will receive timely reports and analyses from an audit firm. Audit firms make it simple to obtain reports because they have qualified staff dedicated to their client's balance sheets. Not only this, but audit firms have the knowledge and experience to protect their clients' businesses from fraud and risk. Audit firms should be contacted for assistance with project feasibility studies, process guidance meetings, and new client meetings. They can also offer professional advice. Audit firms understand that risk management must be built into the clients' balance sheet, and thus, they can assist the clients in preparing financial reports without any difficulty.

2.2 Organizational Overview

Profile of the firm:

ACNABIN Chartered Accountants was founded on 15th February 1985 by seven FCAs', ABM Aziz - Uddin, Anwar Uddin Chowdhury, ASM Nayeem, Mohammed Akhtaruzzaman, ATMA Bari, Iftekhar Hossain, and Mohammad Nurun Nabi, to thrive in the then-developing field of chartered accounting. Because of its professionalism, the firm is now regarded as one of Bangladesh's best-chartered accounting firms.

The name “ACNABIN” even comes from the acronyms of the seven founding partners:

A = ABM Azizuddin

C = Anwaruddin Chowdhury

N = Abu Syed Mohammad Nayeem

A = Mohammad Akhtaruzzaman

B = ATMA Bari

I = Iftekhar Hossain

N = Mohammad Nurun Nabi.

At present, the partnership currently consists of four founding senior partners and five partners.

	Senior Partners	Partners
Name of Partners	ABM Azizuddin, FCA	Md. Moniruzzaman, FCA
	Iftekhar Hossain, FCA	Md. Rokonuzzaman, FCA
	A.S.M Nayeem, FCA, FCCA	Md. Mominul Karim, FCA
	ATMA Bari, FCA, FCEA (London)	Md. Reajul Islam, FCA
		Muhammad Aminul Hoque, FCA

Figure 1: Name of Partners

2.2.1 Vision

“We go beyond the traditional auditor and client relationship by becoming your Trusted Business Advisor”

2.2.2 Mission

“We adhere to the strictest principles of client confidentiality. The sensitive and competitive nature of proprietary information and the maintenance of trust-demands it. We have built our success on such principles. We do our utmost to earn and keep client trust.”

2.2.3 Values

ACNABIN upholds the values of its parent company, Baker Tilly. The following is stated in their profile manual: “Our culture is driven by the Baker Tilly Internal core values:

- To lead by example
- To deliver quality services with integrity
- To communicate openly, to act ethically
- And to foster a community built around civic responsibilities and teamwork. We are passionate about helping our clients, while at the same time developing our people’s potential.”

2.2.4 Associations

International Accounting and Auditing Company Baker Tilly International, the globe's eighth-largest network, has 145 self-sufficient member firms in 110 countries, including ACNABIN. Since 1993, it remains enrolled with USAID, the European Commission, and CIDA. It has also been hired by the US government's Office of Regional Inspector General/Audit Singapore to carry out audits of the finances of USAID fund recipients in Bangladesh. Furthermore, it has been hired by the European Commission and the Canadian International Development Agency to conduct financial audits of fund recipients.

Moreover, few of the previous affiliations with Worldwide Accounting Firms are:

- a. From 18 February 2003 to 2010, ACNABIN was a member of ASNAF-ASEAN Accounting Firms in Singapore.
- b. Until July 2002, it was a permitted good representation firm of earlier Andersen SC.

ACNABIN has established close working connections with numerous international and national consulting companies in Bangladesh as a result of its effectiveness and committed services. ACNABIN has thus broadened its skilled foundation with the goal to best serving its clients' interests.

2.2.5 Services Provided

ACNABIN provides excellent services to a varied and broad range of consumers in both the public and private sectors of Bangladesh. On various projects, it also serves foreign aid agencies and expatriate consultants. ACNABIN, thereby, offers the following services:

- ❖ **Audit & Assurance:** Statutory audit, Internal audit, Special audit, Cost audit, Compliance audit, Forensic audit, Management audit, Performance audit, Forensic audit, Interim audit, Review engagement, NGOAB audit, Donor audit.

- ❖ **Tax and Legal Advice:** Corporate & individual tax planning, Personal Income Tax, Deferred tax computation and application, Indirect tax, Tax investigations, Capital gain tax, Designing VAT Management System and Compliance Audit, Tax compliance and preparation of various tax returns, Assistance in handling queries & requests for information from tax authorities, Tax assessments and appeals, Preparation of income tax returns, Import Duty and Customs cases, Inheritance tax planning, International tax services, Tax effective remuneration planning, Tax investigations.

- ❖ **Advisory:** Formation, incorporation, liquidation and winding up of companies, Preparation and filing of Annual Return, Preparation of AGM minutes, Preparation of Directors' minutes, Formation and registration of companies and close corporations, Maintenance of statutory records, Conversions of companies and close corporations, Amendments to and registration of statutory details, Increase of share capital, Change of company name, Change of Articles & Memorandum, Preparation of Special resolutions, Advice on secretarial matters relating to the Companies Act., Management of Litigation, Management of Legal Disputes, License Issues, Compliance with Relevant Laws & Regulations, IP Rights (Logo, Trademarks, Copyrights), Correspondence with Corporate Regulatory Bodies, Correspondence with Corporate Regulatory Bodies, Drafting, Reviewing & Providing Opinion on Agreement, MoU, NDA, Undertaking, RFP, PO/WO, LOI, Legal Notice etc.
- ❖ **Consultancy:** Management Accounting Services, Management Consultancy, Structured financing advisory, Business planning and project feasibility studies, Standard operating procedures (SOP), Fixed assets management, Accounts receivables management, Payroll management, Project appraisal, Inventory Management, Performance measurement, Business Valuation, Process Improvement Services and Cost Management Services.
- ❖ **Outsourcing:** Accounts payable processing, Payroll and payroll tax processing, General ledger and financial statement processing, Accounting services, Human resource support, Preparation of management accounts and management information systems, Preparation & Maintenance of books of accounts, Support in day to day Transaction Processing and Book keeping and preparation of final accounts.
- ❖ **Others:** Accounting and management education, Computer data processing, Privatization consulting (which includes pre-privatization assessment, restructuring, and valuation in particular, as well as general privatization assistance), Investigative Services, internal and

managerial inspection, and micro-finance consulting are examples of accounting ancillary services.

2.2.6 Audit Linkage of ACNABIN

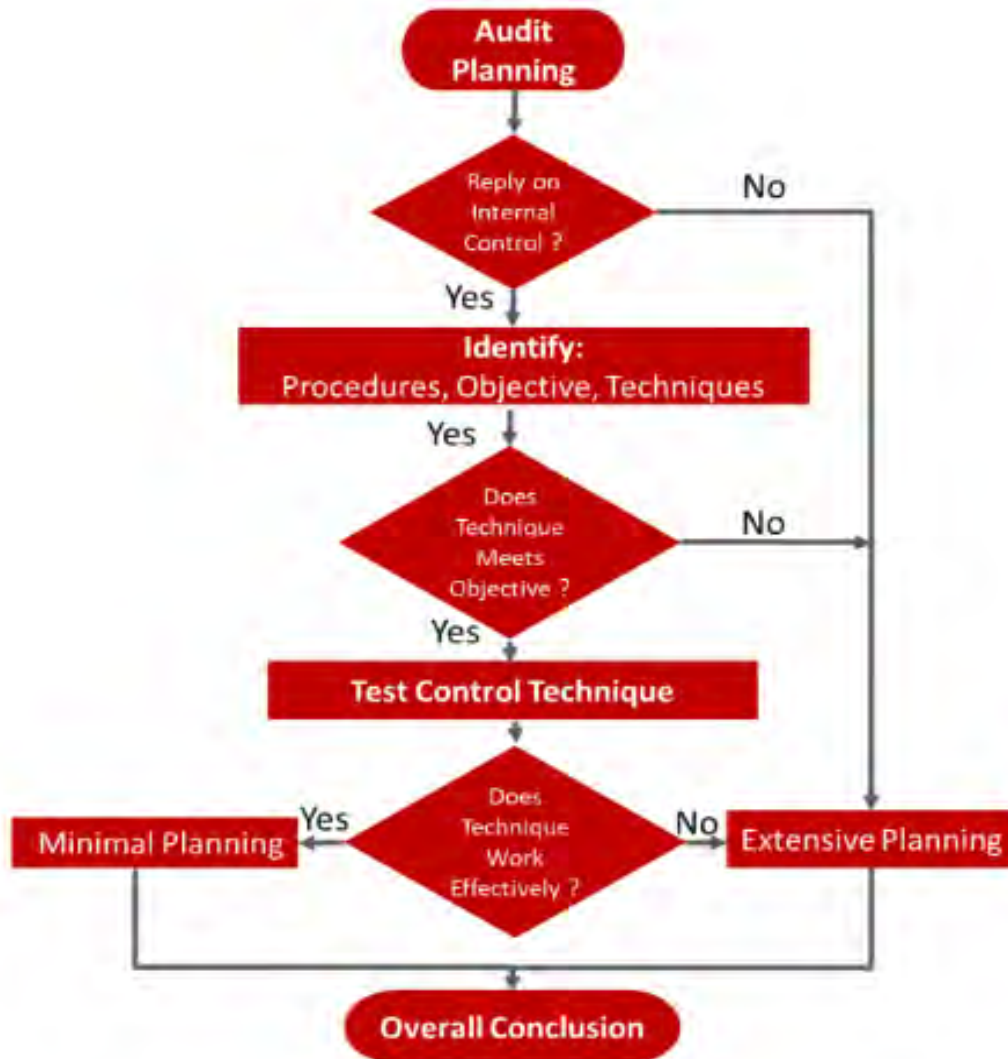


Figure 2: Audit Linkage

2.2.7 Organization Structure of ACNABIN

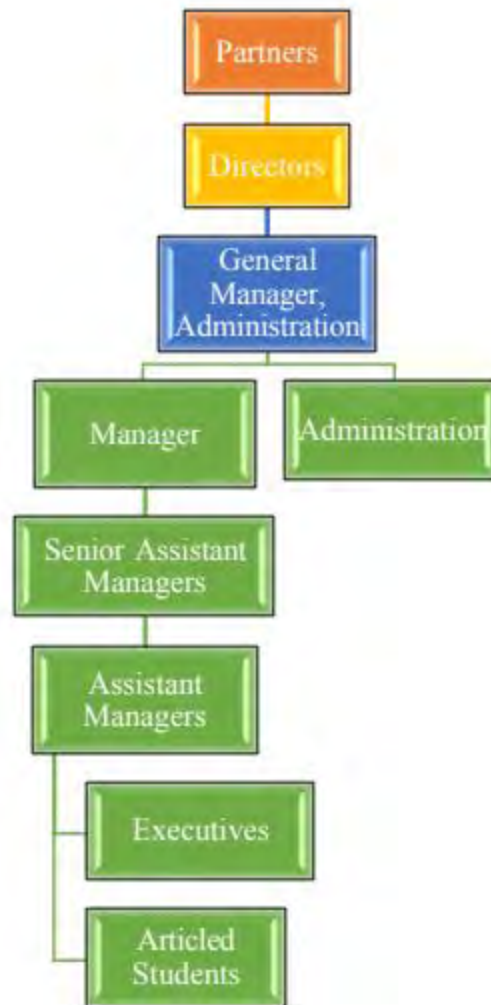


Figure 3: Organogram

2.3 Management System of ACNABIN

ACNABIN follows a participative leadership style. ACNABIN follows the audit process of ICAB. The ICAB is the body in Bangladesh in charge of controlling professional accountants' activities and is importantly related to them. The Audit Practice Manual serves as the auditor's Bible, and all that is stated in it must be followed. The APM includes a simplified version of the inspection

process. The following four steps discussed are followed religiously by ACNABIN which ultimately leads them to achieve their organizational goals.

2.3.1 Planning:

By providing a guideline or charting a course of action, proper planning aids in the achievement of any targeted goal. The process usually starts with an assessment of current operations and the identification of areas for improvement. A successful strategy entails visualizing one's desired goals and describing the steps necessary to reach the needed final destination. Planning provides the necessary information to make sound choices about where as well as how to organize the elements utilized for allocating resources.

The importance of standard evidence for client planning memorandums is emphasized by Bangladesh Standards of Auditing (BSA). The auditing approach is applied in the development of the preparation memorandum, and this rests on accumulated audit expertise, as well as significant problems raised by the auditors. Other information is available in the planning evidence. The planning demonstration contains information about the company and its operations.

- What the entity does?
- How it conducts its business?
- What are the risks and where?
- How the auditors are going to audit the company?

The following are the reasons for planning:

- Requirement of BSA
- Key to successful Auditing

Factors of Planning:

2.3.1.1 Assessment of risk and materiality

Risk and Materiality is the 1st step of planning. They are the two principal procedure of planning.

Risk: The two important risks in Bangladesh Standards on Auditing (BSA) are:

- BSA 315: Understanding the entity and its environment and assessing the risks of material misstatement;
- BSA 330: The auditor's procedures in response to assessed risks. These BSAs are more demanding than the previous standards to understand the depth of client's systems and operation.

The nature of risk:

The organization's business environment may pose an audit risk. It may have been caused by a malfunction in the organization's oversight system or improper execution of the auditing processes, which includes the sampling risk. The third component is unavoidable. The option of sampling remains available. The manual's goal, on the other hand, is to reduce this. Among the risks discovered are company danger, auditing risk, inherent risk, risk of control, and detection risk.

Materiality:

According to the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements,' data is considered material if its omission or misstatement can impact economic decisions made by users based on the financial statements. The dimension of the object or mistakes in the setting of its absence or misunderstanding determines its materiality. As a consequence, instead of becoming an essential qualitative characteristic required for information to be useful, materiality functions as a limit or cut-off point.

Materiality affects the audit work in two ways:

- i. It is one of the factors that influences the nature and scope of detail tests.

ii. It affects whether or not a certified public accountant should seek correction for actual and shown errors, and it also impacts the importance of areas of agreement or dissatisfaction on judgmental issues.

Accounts that lack "materiality" are regarded as "true and fair." The level of importance is generally corresponding to the magnitude of the business. However, some items, regardless of magnitude, may be important by nature. As a result, at this point of the audit, every detail is done with significance and risk issues in mind.

2.3.1.2 Analytical review

The auditing firm should use analytical review tactics such as methods for risk assessment for gaining a comprehension of the company and its surrounding circumstances, as well as in the overall audit review at the end, according to Bangladesh Standards of Audit (BSA) 520.2.

The analytical evaluation may be important in three distinct but interconnected audit stages:

- The planning stage;
- Extensive analytical review as a substantive test, and
- The final stage – as part of the critical accounting review.

These distinct stages, according to the Audit Practice Manual, ought not to be believed to be separately distinct, but instead as part of a continuous review process.

2.3.1.3 Test of control

The Bangladesh Standards on Auditing (BSA) made the control test obligatory. It is necessary to examine the client's internal control system. The test controls are also taken into account when creating a plan. The following are the reasons for testing of controls, according to the Audit Practice Manual:

- As a component to comprehending the company and its environment, it is essential for one to assess the creation and execution of all managers relevant to the audit.
- Assessing the creation and operation determines the demands of a greater level of examination; it necessitates extra tasks such as document inspection or transaction tracing through the system.
- Internal surveillance performance evaluating (compliance testing) must be performed as the risk examination includes the expectation that controls will operate efficiently, or other serious tests will not provide adequate proof of their operation.

2.3.2 Compilation of Audit Evidence

2.3.2.1 Audit Sampling

The number of items to test has always been a point of contention, according to the Audit Practice Manual. Rather than simply "fill in the forms," it is far preferable to design tests that are directly relevant to the client. As a result, it is encouraged to tailor or draft programs using the APM as a guide. Undoubtedly, all samples must be accurate to the general population as well as large, sufficient to allow for credible conclusions to be formed.

The sufficiency of sample sizes must ultimately be determined using discretion. While the use of built-in risk variables, importance, and demographic data may serve as a useful hypothetical starting point, the individual must ultimately activate their own judgment. The standard risk model, at the very least, supplies an accepted benchmark to judge the rationality of the auditors decision.

2.3.2.2 Evaluation of errors

The Audit Practice Manual (APM) requires that errors realized during inspection test performance be evaluated in order to figure out the effects on the group of people that is being evaluated and the financial records as a whole.

Evidence even suggests that auditors struggle to make this assessment at times.

2.3.3 Controlling and Documenting

This stage is simply carrying out the planning stage. This is the principal fieldwork stage, during which each evaluation and other variables are considered. Based on these assessments, all proof assembled is evaluated and recorded. The following evaluations of risk and other events are listed below:

2.3.3.1 Risk and materiality evaluation

Risk Assessments:

The Audit Practice Manual describes two distinct kinds of risk assessments. They are as follows:

- **General risk assessment:** The entity's business-related and regulatory environment is the main source of general risk. It is molded by management integrity as well as a business risk. This assessment should help determine the overall danger level of the engagement.

- **Specific risk assessment:** In accordance to the Audit Practice Manual, the particular risk assessment has two goals:
 - It will be used to assess the extent of the full examination program method under the particular setting of the investigation in inquiring about a setting such as an extremely tiny business can be avoided. Such a strategy must constantly be documented and justified, and instead of being used arbitrarily; and
 - It might be used to combine various risks and examine the general effect they have on a specific area of the accounting records. It helps in centered audit work on audit-relevant areas, stopping the big picture from getting overlooked due to concentrating on individual risks.

Materiality:

Materiality determination:

The following is a guide to establishing the level of significance of materiality. However, it's only a guideline. Professional judgment is required to determine the level of materiality.

TK.	Profit before taxation parameters	Turnover and total assets parameters
0-5 Crores	10%	3.0%
5 Crores 1 to 10 Crores	10%	2.5%
10 Crores 1 to 20 Crores	10%	2.0%
20 Crores 1 to 56 Crores	10%	1.5%
Over 56 Crores	10%	1.0%

Table 1: Materiality Rates

2.3.3.2 Factor of Reliability

As risk factors, the distribution that is normal can be applied to convey confidence in sampling results. The reverse of a risk factor is a reliability element, and both of these variables serve as the base of the sampling method. When sampling is performed, the factors helpful to the unique audit test needs to be recorded on the sampling planning form. The reliability coefficient is then increased by a quotient according to whether or not any detailed tests or descriptions evaluate, plus analysis and/or compliance tests are to be performed. The multiple uses to test each balance sheet and revenue and loss account differ as well.

2.3.3.3 Accounting and audit testing

In accordance with the Audit Practice Manual, evidence from audits gathered from work performed in account preparation may be used if ethical concerns have been addressed properly. Such accounting work must have been planned, controlled, recorded, and reviewed in accordance with specific audit objectives.

In such cases, adequate audit proof for certain assertions can be obtained to prevent the need to perform more detailed testing. However, with this value audit records won't show evidence of, say, comprehensiveness, a continuation of existence, or title, resulting in additional audit work.

2.3.4 Review and opinion

This is the last step in the auditing process. Management discusses the entire report and provides feedback. Some observations may emerge as a result of this discussion. Following that, a Chartered Accountant partner handles the overall audit and renders an opinion. Some checklist examples from the Audit Practice Manual are as shown below:

Completion of the audit, completion of the examination standards review questionnaire, completion of the internal control system's questionnaire, completion of the critical examination of accounts questionnaire Justification for audit report, and so on.

The auditor's first task is to gather details concerning the review checklist. If the auditing team and companions are pleased with the actions, they can develop a firm opinion about the client. In other situations, they might have had an unequivocal viewpoint.

Each audit area should have a conclusion. This is extremely important. Furthermore, not only must the summary section be filled out, but each major test in each area needs to be defined in the relevant engaged paper:

- The aim of the tests;
- The work performed
- The results obtained, and
- The conclusion reached

2.3.5 Human Resource Planning done by ACNABIN

When it comes to hiring new article students as audit associates, ACNABIN follows a rigorous selection process to hire the best candidates possible. The selection process starts with an exam to test if the candidate has basic adequate knowledge about the field he/she is opting to work in. Upon successful completion of the exam, the selected candidates are then called in for an interview where

the candidates are examined thoroughly. Thus, after these two steps, ACNABIN hires its candidates.

2.3.5.1 The Compensation System

As ACNABIN is a registered firm under ICAB, it needs to follow the guidelines of ICAB and pay its associates accordingly. However, in recent times ACNABIN has started to pay twice the amount as per ICAB guidelines, to its employees. This is solely because of their constant growth and as a means to keep their employees motivated toward work.

2.3.5.2 Training

ACNABIN conducts training for its employees on a regular basis. Employee training positively impacts the company's culture by increasing job satisfaction, engagement, and retention. Therefore, ACNABIN believes this can dramatically reduce employee turnover and increase talent by embracing training and development.

2.3.6 Audit sequences of ACNABIN

2.3.6.1 Procedure for Engagement:

Before beginning the primary procedure, it is critical to identify the organization's client types. ACNABIN has a large number of customers. Clients are new customers who use ACNABIN's solutions for the first time. Clients can be existing customers who want to use the service again. The following are descriptions of various types of engagements:

2.3.6.2 Client interaction with new clients

There are several stages to acquiring new customers. They are as follows:

-ACNABIN's proposal process: For new clients, clients typically provide a circular for the firm to submit a proposal. They occasionally request direct requests from the firm. It happens when people choose the businesses they want. When accepting direct proposals from companies, ACNABIN describes the cost of carrying out the audit as well as the duration of time wanted for the audit. The corporation outlines the audit's subject matter and includes it.

-ACNABIN's proposal letter to the client: After analyzing the entire proposal and settling on the technological and financial details, ACNABIN sends the proposal letter to the appropriate client. Additionally, it is stated that the fees and time represent an approximation and are subject to change.

-Proposal Acceptance and the Contract Letter: In the event of circulation, the company receives multiple proposal letters and chooses one specific firm. However, if a firm is picked directly, the company reviews the proposal letter after receiving it, decides whether there are any problems, and then delivers a letter of the contract.

-Confirmation Letter: ACNABIN sends the business a confirmation letter following receipt of the contract letter.

2.3.6.3 Engagement with existing clients

The process is easier and more straightforward when dealing with a current client. The letter of appointment is required to be sent. They express their readiness to take ACNABIN once more this year in this letter. Audit fees may differ from the previous time. They also send a scheduling letter; if ACNABIN accepts, they approve and follow up with an authorization letter.

2.3.6.4 Directly appointment from the clients

Direct appointment letters are sent to the company by interested clients. They include the phrases and conditions from the appointment letter. If ACNABIN establishes that it is profitable, it will acknowledge it and send an acknowledgment of confirmation to the client.

2.3.7 Audit Procedure followed by ACNABIN

Once the engagement with the relevant client has been finalized, the process of auditing starts. Since ACNABIN is an international organization, it mostly adheres to independent Baker Tilly employees. However, it adheres to all the procedures that Bangladesh uses. The actions are:

2.3.7.1 Identifying Overall Goals

ACNABIN follows International Accounting Standards (IAS) and International Standards of Auditing (ISA) when creating reports. Alternatively, in terms of financial reporting and other matters, ACNABIN adheres to Generally Accepted Accounting Principles. (GAAP). The auditor's initial assignment is to identify the overarching goals. While figuring out the overarching objectives, some issues arise. The auditors generally look for errors, irregularities, and, finally, the company's efficiency. The specifics are as follows:

i. Errors:

It is the auditor's responsibility to discover accounting flaws with the goal to provide adequate security. That is the planning portion of the audit-practicing manual. Unintentional errors are considered mistakes in this context. The initial and most significant aspect is the detection of material errors. The audit team must determine the existence of assets and liabilities. They must discover the truth. When recording, they ensure that the date and balance are correct. Errors can occur for a variety of reasons. The financial statements may contain errors in the collection and processing of accounting data. Estimates for accounting can be incorrect, and errors can occur as a result of incorrect application of accounting rules.

ii. Irregularities

The most important aspect of keeping accounts is consistency. The risk and materiality of the accounting manual are linked to irregularities. Any irregularity that could be material must be discovered at this point in the audit.

iii. Efficiency

Auditing is all about efficiency. Auditors must audit a full year's worth of financial statements in a short period of time. This must be accomplished by this point. There may be several approaches to determining the most efficient way to conduct the audit. To begin, specific members of the previous workforce can be deployed for the existing clientele. The audit team must be made up of a variety of professionals. While their skills should vary, their bodies must additionally have the mental state to work together in order to accomplish a common goal.

2.3.7.2 Collect and evaluate preliminary data

The following step of an audit is gathering and analyzing preliminary data. For auditors, each client-related detail is crucial. The very basics to start with include understanding how a business works, how it is run, and key buyer-seller information. Below is a list of this stage's activities:

i. Understand the business: First, auditors need to be familiarize with the company's industry and its nature. They will then be able to understand the goals, plans, and risks involved through this. They will next research the company's external influences and financial reporting system after that. The focus will also include measures, financial results, and accounting principles. The internal control needs to be examined last. If the internal control is effective, the risk will be at its lowest. The size of the sample depends on how effective the internal control is. The internal auditors can assist the audit team in accordance with BSA-610.

ii. Think about the internal control structure: It is crucial to comprehend and evaluate internal auditing in order to comprehend the internal control system. Internal auditing needed to be evaluated and tested by auditors. It must be verified, among other things, that the in-house auditors

are competent in technology, that their employment is effectively reviewed and succeeded by a qualified individual, and that observations are consistent.

iii. Determine the expectations of the client: An external auditor should never forget the client's expectations. They ought to carry out audits in accordance with it.

iv. Consider materiality: Accounts may have minor errors. Auditors must decide whether or not that specific error has a meaningful impact on the accounts.

2.3.7.3 Assessing general risks

The next step is to assess the overall risks of the audits. This approach, known as "top-down," and it focuses on high-level data. This step requires the following elements:

i. Consider the impact of numerous factors: Depending on the risk level, documentation may grow after receiving high-level information. If the business is dangerous and the transactions are in suspect, then a thorough audit is required.

ii. Determine the overall audit strategy: Auditors choose the zone, then determine the gross strategy required to fulfill it. It takes more time and money if the region is large. When there is an intensive audit, however, the reverse situation occurs.

iii. Making a decision on coordination and timing: Finally, the task determines the timing and coordination.

2.3.7.4 Assess account specific risks

The risk associated with a given account is discovered by auditors in this step. The audit team completes the entire task with the aid of the APM questionnaire. Below are the specific tasks for this step:

1. Identify the accounts and transactions that need to be addressed.
2. Recognize the various types of financial report misstatements.
3. Determine risk indicators.

4. Determine which mitigating controls will be relied on.
5. Create a procedure for testing mitigating controls.
6. Determine the risk that needs to be dealt with by the substantive test.

2.3.7.5 Create an audit plan that is both effective and efficient

Auditor creates a master plan after outlining all risks. Effectiveness and efficiency are the primary concerns in this step. Auditors evaluate the internal control system at this level. They do not take substantive tests if the control systems are effective. The stronger the control, the more frequently the controls are tested. However, things are different in the context of the substantive test.

2.3.7.6 Conduct audit testing

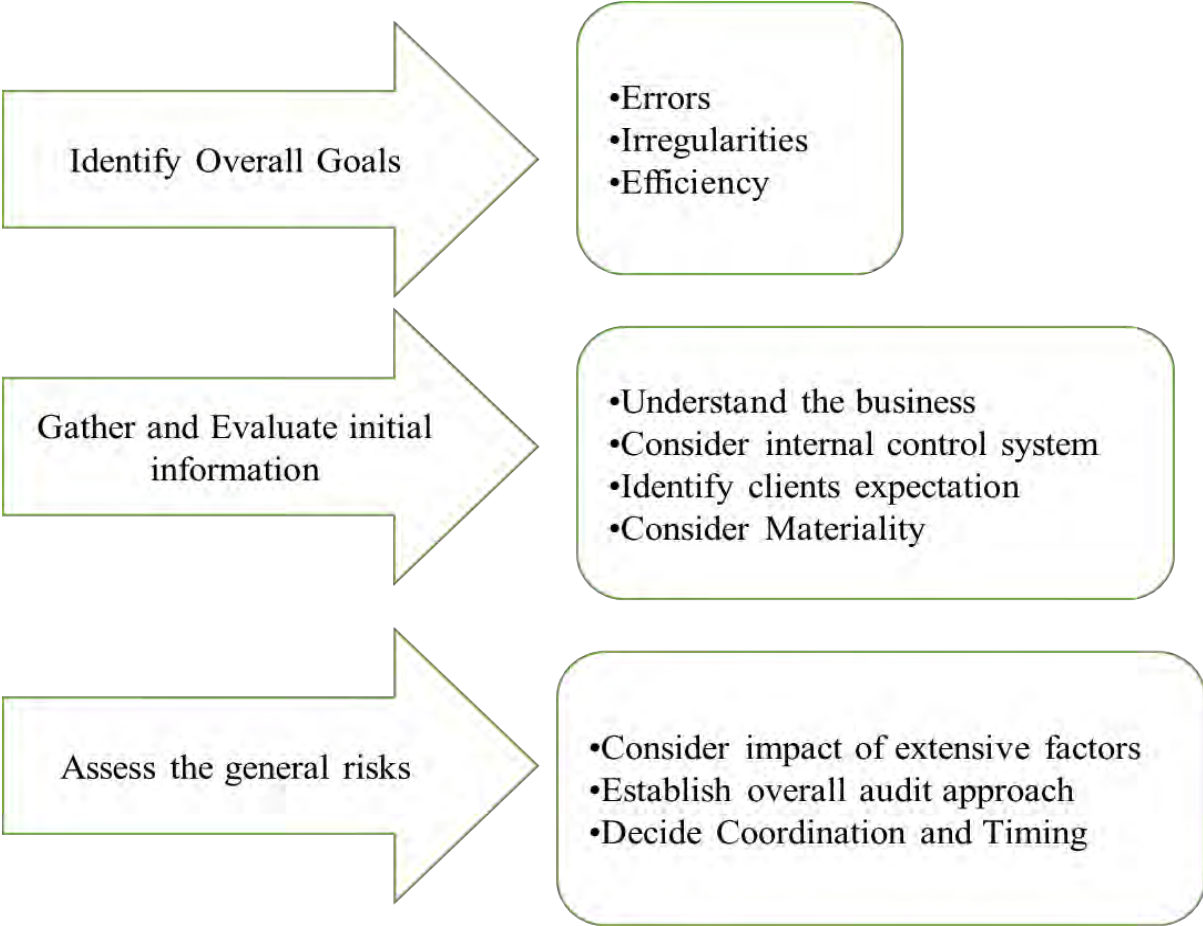
The auditors acquire all of the audit evidence at this step of the audit process, which is known as the practical work phase. To verify the evidence, various audit tests are carried out. First, the auditor reviews the documents and takes notes. The IT systems are then put through technical compliance examinations. This stage results in the collection of evidence from an audit and associated paperwork.

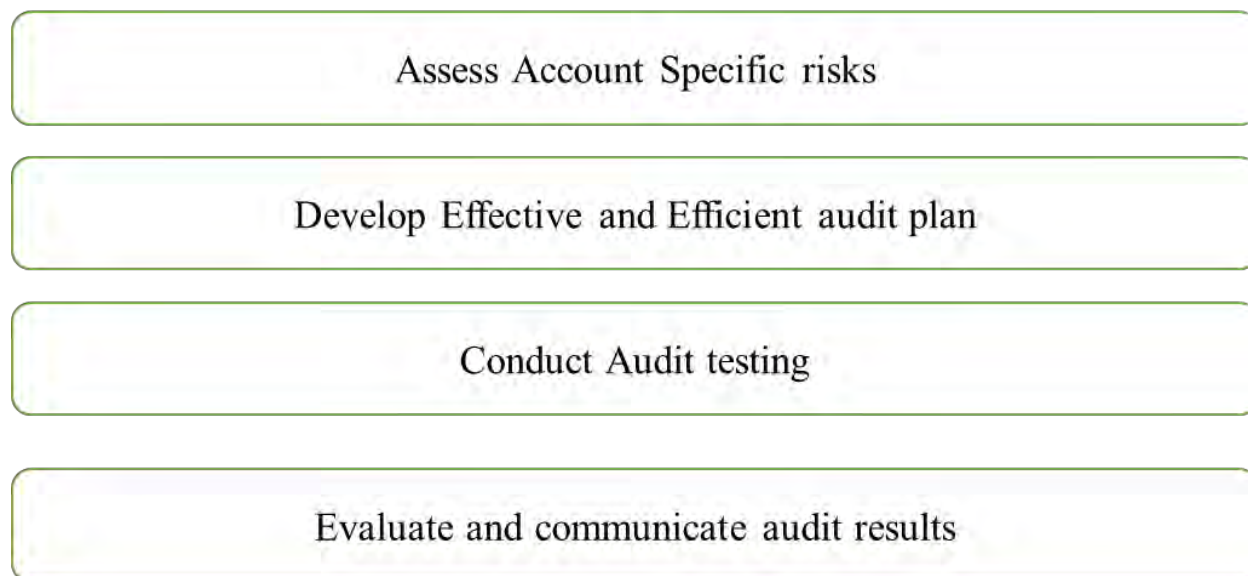
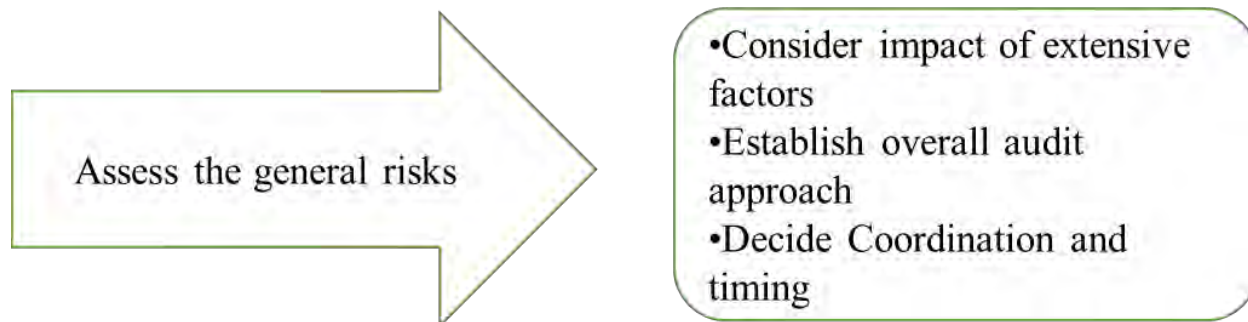
2.3.7.7 Evaluate and communicate audit results

Analyzing the findings and sharing them with the client is the audit's final step. Reporting is a crucial component of this phase. The audit evidence is put together as a report once the auditor has gathered all the data pertinent to the financial accounts. The audit evidence is weighed against the material inaccuracies realized during the planning phase. The auditors are primarily concerned with determining whether the evidence provided was suitable and sufficient. Most importantly, if those justifications don't back the examiner's position, they are rendered ineffective. If there is insufficient evidence, additional steps are taken to achieve the desired result. After obtaining the necessary evidence, the independent auditor starts assessing the newly identified inaccuracies. The auditor compares it to the preliminary materiality figure. Lastly, overall inaccuracies are

determined and checked to see if they cause the accounting records to be materially misstated. Following the discussion, the person who complained gets another chance to argue along with explaining the issues. Finally, the remaining issues are prioritized. The auditor expresses his opinion and, if the accumulated issues materially misstate the financial statements, ACNABIN issues a qualified report. An unqualified report, on the other hand, appears if it has no significant effect on the statements.

Figure 4: Audit steps of ACNABIN:





2.4 Financial Performance:

2.4.1 Financial Performance

2.4.1.1 An analysis on ACNABIN Chartered Accountants Total Practice Turnover is as follows:

Audit	40%
Accounts preparation (including data processing and book-keeping)	5%
Tax	20%
Financial Advisory Services	20%
Management Advisory Services	15%
Total	100%

2.4.1.2 Revenue per employee ratio formula:

$$\text{Revenue per employee} = \frac{\text{Total Revenue}}{\text{No. of Employees}}$$
$$= \frac{\text{Tk.6000000}}{560}$$

Revenue per Employee= Tk. 10714.286

Therefore, the Revenue per Employee ratio shows the average amount each employee of ACNABIN Chartered Accountant contributes. This ratio also determines the efficiency and productivity of the firm.

2.5 Industry and Competitive Analysis

Public sector accounting bring significant changes to auditing. Businesses now have access to more and better information. Auditors are employing more and more sophisticated tools. Data analysis and automation of robotic processes will, sooner or later, change the auditing world. Automation frees auditors from focusing on routine manual tasks and allows them to focus on professional assessments and insights. Having said this, I would like to throw light on Porter's Five Force Model to showcase a clear understanding of how these five forces impact ACNABIN's industry and their overall business/ profit.

i) Threat To New Entrants: The threat to new competitors can be described as low for ACNABIN. As ACNABIN is already amongst the top 10 audit firms of Bangladesh, it is safe to say that they are less likely to get affected by any new entrants in the market.

ii) Threat of Substitutes: Well, the threat can be seen as a bit high since ACNABIN's biggest substitutes are the BIG 4 audit firms especially KPMG, and Deloitte. Companies will always need audit and tax services, especially the top 10 MNCs are always looking out to get services from the top audit firms only. Hence, the threat to substitutes is high for ACNABIN.

iii) Bargaining Power of Clients: In most cases, the client's bargaining power is low for ACNABIN. This is because first-year audits are always the most difficult to perform as most

companies require these services by law or at the request of another powerful stakeholder, so switching costs are higher. Hence, companies prefer to stick to one firm regardless of the pay scale. However, this is always not true in the case of the big multinational companies as if they do not find a flexible fee negotiation then they might move to any other smaller audit firm and get their work done at much cheaper rates.

iv) Bargaining Power of Suppliers: ACNABIN's suppliers are primarily their employees. And, employees have high bargaining power in the audit industry because this industry is a relatively skilled industry, with technical skills required even higher. Professional qualifications are required for employees and there are many employment opportunities readily available for these skilled employees. Therefore, the turnover rate of audit firms is always high. Hence, the bargaining power of the employees is also higher.

v) Competitive Rivalry: One dissatisfied client of ACNABIN can easily switch to their biggest rival. The most important factor for customers to choose a firm is how good the relationship is with their existing local clients. Hence, since ACNABIN also provides a similar range of services like the BIG 4 firms, it is justifiable to say that the competitive rivalry for ACNABIN is high in the market.

SWOT Analysis of ACNABIN:

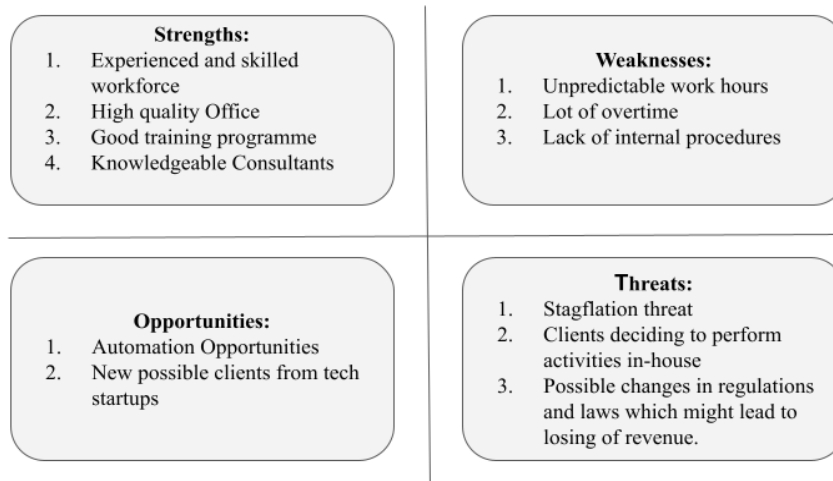


Figure 5: SWOT Analysis

2.6 Conclusion

To summarize, ACNABIN offers auditing capabilities to examine a company's financial statements, such as the statement of income, statements of cash flows, and balance sheet. It gives regulators and investors confidence in the accuracy of a company's financial reporting. It also signifies a point of view on whether the statements of affairs accurately reflect the financial position of the corporation.

For example, the Securities and Exchange Commission (SEC) mandates that publicly traded companies conduct a separate audit to check their annual financial reporting. Thereby, ACNABIN's admirable growing performance over the years makes them one of the best candidates out there in the market as the first choice of many companies who reach out to them for their excellent consultancy services.

Chapter 3: Project Part

Research Topic: An External Audit Experience: The Purpose, Role, and Drawbacks

3.1 Introduction

University is widely regarded as the most prestigious learning environment. It assists in gaining an understanding of a student's desired field of study while providing an opportunity for hands-on learning in that field. University internship programs are another name for practical field knowledge. Internships are a great way for students to put their future career plans to the test. Anyone can change their field after graduation if their current experience does not match their desired goals.

After finishing my undergrad, I've always wanted to pursue Chartered Accountancy. As a result, working at ACNABIN Chartered Accountants has allowed me to learn more about the field before diving in. This internship report provided me with the opportunity to take notes and execute audit procedures.

As an intern at ACNABIN, I had been designated as an independent auditor for Grameenphone Ltd.'s statutory audit.

3.1.1 Background

A 12-week internship course is required to earn a bachelors degree in BRAC Business School. This report is the culmination of an internship that lasted three months at ACNABIN, one of the country's most reputable accounting firms. I was assigned to Grameenphone Ltd. for a statutory audit while working at ACNABIN. There, I observed and comprehended numerous procedures and processes pertaining to a number of concerns of my client. However, I had to respect the client's privacy. As an outcome, I decided to focus my paper on the goal of conducting an audit and its drawbacks of it, which I learned about through ACNABIN.

3.1.2 Objectives

The writing of this paper is primarily motivated by two objectives: primary objectives and secondary objectives. They have been further discussed below:

The Primary Goal:

The main purpose of creating this paper is to fulfill the partial requirements of the undergrad program.

The Secondary Goals:

The secondary goals are as follows:

- i. To integrate classroom knowledge with practical experience.
- ii. To learn the basic principles of auditing in Bangladesh via ACNABIN.
- iii. To evaluate the scope of management audit work performed.
- iv. Determine how to collect and process evidence for an audit report.

3.1.3 Significance

ACNABIN gave me a fantastic opportunity to learn about the firm's audit procedure. These are the major advantages I have successfully obtained:

- a) The host organization's history, as well as its current position.
- b) The audit procedure that the organization follows when executing any audit.
- c) The firm's audit method, which the organization follows when executing any audit.

3.2 Methodology

This report's main goal is to present qualitative data that is relevant to the report's objectives. Data were mainly gathered from primary sources, primarily ACNABIN. A thorough investigation of relevant records accessible on ACNABIN that were allowed for use was used to collect and include data. This report was created using research papers, multiple research supplies, news articles,

internet searches, interviews with managers, partners, and Client staff, and team discussions. The Bangladesh Standards on Audit (BSA), International Standards on Audit (ISA), and ACNABIN web page were also helpful.

3.3 Findings and Analysis

There isn't a system in existence that is perfect or that doesn't encounter challenges along the way. I have noticed various flaws in the auditing processes during my internship period, as well as some issues that auditors run into when performing the audit. Also, I have questioned a few of the firm's partners, seniors, and juniors who were either in charge of or have participated in an audit. Based on the data provided by my firm's seniors, and my personal experience, I have listed down the purpose, role, and drawbacks that I have faced over the 12 weeks of my internship period.

3.3.1 Purpose

As an audit intern, I discovered that the auditor uses professional judgment and maintains professional skepticism throughout an audit conducted in accordance with ISAs. As an audit intern, my duties included supporting the finance department with the processing of financial reports, account statement analysis, invoice release, and tax audits. In order to become familiar with work procedures, I observe tenured employees throughout operating procedures. I was expected to perform administrative and clerical duties such as drafting reports, monitoring the accuracy of accounting statements, adjusting to client queries and worries, and increasing serious issues to the supervisor for prompt resolution under the supervision of a direct supervisor.

3.3.2 Role

The tasks I had to perform for the 12-week internship are as follows:

- Verifying the financial statements' opening balance and comparing it to the ledger.
- Verifying the financial statements' closing balances and comparing them to the ledger.
- Verify and calculate the amount of the fixed asset's addition, disposal, and depreciation.

- Recognize and use fundamental auditing principles and techniques.
- Perform testing of internal controls related to fixed assets.
- Comparing specific ledger receivables to the total balance on the financial statements.
- Comparing the ledger balance to each head's complete breakdown amounts.
- Comparing the ledger's individual payables to the total balance on the financial statements.
- Compare the bank reconciliation to the cash-on-hand balance.
- I formally requested confirmation of the balances in a letter to the bank officials.
- Effectively communicate with clients and team members.
- Juggle several projects at once and perform well under duress.
- Meet the deadlines established by the supervisor and the job in charge.

3.3.3 Drawbacks

Few of the problems and shortcomings I have faced during this tenure are:

i. Time Constraints: Clients frequently get in touch with the firm at the very last minute of their reporting period, which puts tremendous pressure on the auditors to finish the audit process on time.

ii. Rapid Rotation Between Audit Engagements: Due to unexpected circumstances, junior associates who were participating in one audit process for one client received a request to come out and handle another auditing process for a different client.. Thereby, as a result, the associates are unable to fully comprehend the entire audit procedure.

iii. Insufficient Client Cooperation: There are additionally times when client organization employees are unwilling to pass over the required documents or provide the paperwork in a sloppy behavior rather than being arranged. This has oftentimes slowed down the audit work and made it difficult to meet deadlines. There were also instances where the client's staff were seen to be impolite, disrespectful, and failing to give the auditors the help they need. As a result, gathering audit evidence becomes difficult in such cases.

iv. Difficulty in Providing an Objective Opinion: The second GAAP standard calls for auditors to have an independent mental attitude. Clients will sometimes try to influence the auditors' opinion on the company and its continued existence as an ongoing company. As a result, for the purpose to sustain an ongoing partnership with the company, auditing firms sometimes offer an unqualified opinion.

v. Lack of Information Provided: At times before engaging in an audit engagement, audit associates are allocated to a team without having a sufficient understanding of the client's operations. Usually, when ACNABIN gets a new client, the partner selects one manager to supervise the team. The manager then picks one job in charge and a handful of audit associates to form a team for that one client. However, there are times when the supervisor doesn't give the team a general idea or comprehension of what the customer does which makes it extremely difficult for the team to conduct the audit procedures. As a matter of fact, team members spend a lot of time learning about the client's business because they have no prior knowledge, and only then can they begin their audit tasks. Thus, audit duties take a long time to complete in such circumstances.

3.4 Conclusion

In my Internship Report I have made an effort to include the auditing practices used in this nation. Every phase of the engagement process, including the evaluation and opinion-giving, has been included here. ACNABIN is a trustworthy firm in our country, and the chartered accountant is an esteemed career in our country. ACNABIN Chartered Accountants follows all of the Institute of Chartered Accountants Bangladesh (ICAB) guidelines and requirements. Nevertheless, there are also numerous flaws in the procedures conducted by them. Also, I believe Chartered Accounting businesses are one of the keys to success in this time of swift economic change. Last but not least, more students ought to visit and investigate this area. Thus, it is essential for this field to have the backing of quality resources if it is to grow and prosper economically.

Lastly, few of the lessons I will be carrying with me for a lifetime from this internship experience are:

- Taking responsibility for my own work and take decisions on my own.
- Excellent analytical skills with attention to detail.

- Proficient in Microsoft Office, especially Excel.
- Ability to work both independently and collaboratively.
- Excellent communication plus negotiation skills.
- Work smartly and efficiently to get the best results possible.
- To be mindful of the information covered in class and to approach the actual field experiences with confidence.

3.5 Recommendations

- ❖ ACNABIN can include a clause that specifies the amount of time they have to do the audit and the deadline that the client needs to reach in order to use their services.
- ❖ To ensure that ACNABIN's audit is of the highest caliber, the sampling procedure should be as thorough as feasible.
- ❖ Highlighting any noncooperation or sway attempts by the client in the audit reports and informing the regulatory bodies of them.
- ❖ Before visiting the client, the supervisor or person in charge should provide each member with an in-depth description of the client's business.
- ❖ An audit team leader must be given the right instructions and orders in order to oversee the work of his subordinates.
- ❖ To complete the entire audit work properly, an audit team should be given adequate time (not excessive nor too little).
- ❖ The management must get a directive or order from a higher client authority to give the necessary papers to the auditors.

Reference:

1. ACNABIN Website: <http://www.acnabin.com/contact-us/>
2. Audit Practice Manual by Institute of Chartered Accountants Bangladesh
3. International Auditing Standards (IAS), (300,330)
4. Indeed Editorial Team. (2023, February 3). Auditing Skills: Definition and Examples. Retrieved from: <https://www.indeed.com/career-advice/resumes-cover-letters/auditing-skills>
5. Farahat & Co. (2022, March 8). Top reasons for hiring an audit firms in Dubai, UAE. *Audit Firms in Dubai*. Retrieved from: <https://audit-firms-in-dubai.com/reasons-hiring-audit-firm-dubai/#:~:text=Audit%20firms%20have%20the%20expertise,can%20also%20provide%20expert%20advice>
6. Reciprocity. (2021, June 10). Just a moment... *Effective Workflow For Your Audit Management Process*. Retrieved from: <https://reciprocity.com/blog/effective-workflow-for-your-audit-management-process/>
7. Adil Khan. (2021, September 3). *Audit firm industry analysis*. LinkedIn. Retrieved from: <https://www.linkedin.com/pulse/audit-firm-industry-analysis-adil-khan/>
8. Time Analytics. (2022, September 8). SWOT analysis for accounting and consulting firms. Retrieved from: <https://timeanalyticssoftware.com/swot-analysis-of-an-accounting-firm/>
9. Trinidad, C. (2022, December 13). Audit. *Corporate Finance Institute*. Retrieved from: <https://corporatefinanceinstitute.com/resources/accounting/audit/>
10. *What does an audit internship do*. (2020, October 2). Zippia - Find Jobs, Salaries, Companies, Resume Help, Career Paths and More. Retrieved from: <https://www.zippia.com/audit-internship-jobs/what-does-an-audit-internship-do/>
11. *Auditor's responsibilities for the audit | Financial reporting council*. (n.d.). Financial Reporting Council. Retrieved from: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-theaudit#:~:text=The%20auditor%27s%20objectives%20are%20to,that%20includes%20the%20auditor%27s%20opinion>