INTERNSHIP REPORT

Audit procedure in Bangladesh: a case study on Akhter Abbas Khan & Co Chartered Accountants

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

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Internship Report

ON

Audit Procedure in Bangladesh: A Case Study on Akhter Abbas Khan & Co Chartered Accountants

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing a 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:

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22104002

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Nitai Chandra Debnath
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Letter of Transmittal

Nitai Chandra Debnath
Associate Professor
BRAC Business School
BRAC University
Kha 224 Pragati Sarani, Merul Badda, Dhaka 1212
Subject: Letter of Transmittal
Dear Sir,
I am delighted to present my final Internship Report. Covering my experience with a chartered accounting firm named Akhter Abbas Khan & Co Chartered Accountants, with an overview of the firm and its industry, along with my final project.
I hope the content and presentation of the report are satisfactory, and thank you for your support and understanding throughout the arduous writing process.

Sincerely,

____
Jannatul Mawa Mou
22104002
BRAC Business School
BRAC University
Date: 24/2/2026

Non-Disclosure Agreement

[This page is for the Non-Disclosure Agreement between the Company and the Student]
This agreement is made and entered into by and between Akhter Abbas Khan & Co Chartered Accountants and the undersigned student at BRAC University…………………………………….

Acknowledgement

I want to extend my heartfelt thanks to Rezaul Mahmoud, ACA, and Alpona Akhtar, my firm supervisor. Their guidance and mentorship during my internship journey were truly invaluable. I really appreciate their support and the knowledge they shared with me.

Executive Summary

This report presents the practical results of the twelve weeks internship experience in Akhter Abbas Khan and Co. where academic principles of audit were combined with the professional practice in the form of application of ISA and IFRS. The tenure was an active involvement of the external audits of Rajib Agro Chemicals Limited (RACL) and Rajib Agro Business (Pvt) Limited (RABL). The main areas of focus were transaction vouching, bank reconciliations and verification of fixed assets in line with IAS 16, which would provide a holistic picture of the audit lifecycle in the agricultural industry.

The audit procedure was by the use of a risk-based approach, which involved planning, risk assessment, and substantive testing. More attention was paid to the high-risk spheres such as revenue cut-off according to IFRS 15, inventory valuation according to IAS 2, and the verification of cash-in-hand. The result of such procedures was a Qualified Opinion about RABL regarding fiscal year ended June 30, 2025. The finding of such determination became necessary due to non-conformance to the standards of inventory valuation, absence of agreements on an account payable basis per party, and scope restriction concerning unverified year-end cash balances.

Systemic professional issues, including the subjectivity of auditor judgment and sampling method constraints, are also analyzed in terms of the engagement. In order to improve the quality of audits, in the future, the report suggests a more rigid following of the standard work program and more focus on the independent third-party evidence rather than the management representations. These results highlight the importance of the auditing career in making corporations transparent in Bangladesh and they offer a solid technical basis of developing further career in Chartered Accountancy.

Keywords:

Audit, Statutory, Materiality, Risk, Evidence, Vouching, Skepticism, Planning, Fieldwork, Reporting, DVC, ICAB, ISA, IFRS, Sampling, Substantive, Qualified, Unmodified, Non-conformance, Valuation, Reconciliation, Compliance, Skepticism, Documentation, Analysis, Internship, Agriculture, Inventory, Verification.

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List of acronyms

Entity and Firm Acronyms

- **AAKC:** Akhter Abbas Khan & Co. (The host Chartered Accountancy firm)
- **RACL:** Rajib Agro Chemicals Ltd (The client entity that received an unmodified opinion)
- **RABL:** Rajib Agro Business (Pvt) Ltd (The client entity that received a qualified opinion)

Regulatory and Professional Bodies

- **ICAB:** Institute of Chartered Accountants of Bangladesh
- **IFAC:** International Federation of Accountants
- **FRC:** Financial Reporting Council (Bangladesh)
- **BSEC:** Bangladesh Securities and Exchange Commission
- **NBR:** National Board of Revenue
- **RJSC:** Registrar of Joint Stock Companies and Firms

Accounting and Auditing Standards

- **ISA:** International Standards on Auditing
- **BSA:** Bangladesh Standards on Auditing
- **IFRS:** International Financial Reporting Standards
- **IAS:** International Accounting Standards
- **BAS:** Bangladesh Accounting Standards
- **GAAP:** Generally Accepted Accounting Principles

Technical and Professional Terms

- **DVC:** Document Verification Code (The mandatory ICAB portal code for audit reports)
- **APM:** Audit Practice Manual
- **VAT:** Value Added Tax
- **TDS:** Tax Deducted at Source
- **VDS:** VAT Deducted at Source
- **PPE:** Property, Plant, and Equipment

Chapter 1

1.1 Internship Overview

Student Information
Name: Jannatul Mawa Mou
ID: 22104002
Program: Bachelor of Business Administration
Major: Accounting & Finance

Internship Information

Internship duration and designation
Period: 15 September 2025 – 17 December 2025
Company Name: Akhter Abbas Khan and Co. Chartered Accountants
Department: Auditing
Address: 30 Bijoynagar, Hotel Ornate (5th floor), Dhaka,Bangladesh.

Workplace Supervisor
Name: Alpona Akhtar
Position: Manager

The transition between the scholarly theory and the corporate sphere would be a crucial step to the narrowing of the divide between the college and the workplace. Although textbooks give the fundamental concepts of accounting and finance, the real-life experience in a firm will enable a student to know the intrinsic nature of the real world. I underwent a twelve-week internship program to meet the expectations of my BBA program and have a better idea of the industry.

The internship is an ideal method of testing career aspirations. Since I intend to work as a Chartered Accountant (CA) on completion of my studies, I decided to do my internship with Akhter Abbas Khan and Co., a company that is well-recognised in terms of professionalism and high standards.

My main objective was to be in an atmosphere where I could get real-life, hands-on experience on how an audit and consultancy firm functions daily.

During these twelve weeks, I received the perfect learning experience that enabled me to observe as well as take part in end-to-end management of audit engagements. I was placed specifically in the audit team of Rajib Agro Chemicals and Rajib Agro Business. This experience provided me with the opportunity to implement theoretical audit standards on actual cases, including initial risk assessment, up to substantive testing. The report is a summary of the practical knowledge and professional development that I had gained during the course of my stay at Akhter Abbas Khan and Co.

1.2 Description of the Project

The internship program is established to investigate the relationship of the existing audit theory to a practical application of professional standards in a Chartered Accountancy practice. This paper deals with the undesirable deficiency of an experience of a real-world audit procedure by examining the so-called Theory-Practice Gap, which is the difference in scholarly methodologies and basic functions such as materiality, scalability, and risk assessment.

In addition, the project gives a contextualized view of the particular audit work and high-quality controls provisions embodied in Akhter Abbas Khan and Co. It also measures the process efficiency in terms of audit risk management, regulatory compliance, and the lines of services e.g,. tax, consultancy, and assurance coordination of the core audit service.

1.2.1 Objective of the Project

The internships are essential to supplement practical working knowledge with the theoretical education offered. In many cases, there exists a huge disparity between theory and practical operations of an organization. To reduce this gap and apply our knowledge in our line of study, it is necessary to perform work in a professional organization. This experience can build the basis of our future careers, and this is a precondition for our graduation.This internship placement has the following purposes:

- To give the intern his/her initial exposure to a working environment.
- To facilitate the connection of the theoretical knowledge to practical use.
- To assist the intern in adapting to adapt to organizational environment in a professional firm.
- To develop the trust that is required to make an intern a successful employee.
- To give a holistic view of the audit procedures and lifecycle of Akhter Abbas Khan and Co.
- To acquire some hands-on experience in the process of conducting audits of different corporations and business organizations, including Rajib Agro Chemicals and Rajib Agro Business.
- To determine the way of accumulating and processing audit evidence to create a proper audit report.

1.2.2 Audit Procedure and Research Design.

The research design and methods of data collection have been determined in order to guarantee that rigorous and verifiable data are acquired.

1.2.2.1 Design of the Research

The study is based on a descriptive and Analytical design:

Descriptive Component: This entails recording day-to-day notes of audit work, the structure of working papers, and the workflow, which was assumed by Akhter Abbas Khan & Co.

Analytical Component: This is regarding the critical examination of the practices of the firm concerning the recommendations made in the Bangladesh Standards on Auditing (BSA). This comparison brings out convergence, adaptation or possible misalignment with theoretical standards.

1.2.2.2 Sources of Data Collection

Data gathering is a fusion of both in-house experience and external professional documents.

Primary Sources (Fieldwork)

Direct Observation and Experiential Learning: Journaling is used to record the audit procedures, team meetings, and work at the client site of Rajib Agro Chemicals and Rajib Agro Business.

Semi-structured Interviews: Interviews with the audit partners, managers, and senior staff to obtain the judgmental elements of the audit process, including professional skepticism and high-risk judgments.

Internal Document Analysis: Reviewing proprietary documents, such as audit manuals, checklists, engagement limits, and working papers (client confidentiality will be highly ensured).

Secondary Sources (Literature Review)

Corporate Data: The information on the background and services of the companies is verified by analyzing client websites and publicly available profile information.

Professional and Regulatory Literature: The use of BSAs, ISAs (in particular, 230, 315, 500, 600), the ICAB Code of Ethics, and the Companies Act 1994 to set the theoretical benchmark.

1.2.2.3 Key Audit Phases

To minimize risks and avail of the relevant evidence, the audit procedure is broken down into different stages:

Planning and Risk Assessment (ISA 315, 320): To get an impression of the entity and its surroundings, to determine risks of material misstatement. The most important ones involve setting materiality levels and the general audit plan.

Fieldwork and Evidence Gathering (ISA 500): This stage of execution is comprised of controls tests and substantive procedures. Details tests (balance confirmations, document checks) and analytical testing (ratio checks, etc.) are included in the substantial procedures to reduce the level of audit risk to a reasonably low level.

Conclusion and Reporting (ISA 700 series): It is the last stage; it is assessing the preparedness of the evidence gained, evaluating the financial statement preparation, and providing an audit conclusion (unqualified, qualified, adverse, or disclaimer). Documentation is purely in accordance with ISA 230.

1.2.3 Limitations of the Project

This project was aimed at performing an intensive research on external audit procedures. Although my internship experience has equipped me with some of the best resources and learning experiences, some limitations restricted the scholarly research to an extent. These obstacles include:

Time limits: The internship would only take 12 weeks. This time was not enough to engage in all the stages of a complete audit process of all customers considering the large and comprehensive nature of auditing practices.

Code of Conduct of Firm: Akhter Abbas Khan and Co., in order to maintain the professional secrecy and handling of confidentiality of its clients, limits the access to some confidential information. This predetermined the scope of information that I could provide about particular internal audit procedures and confidential information about clients.

Practical Scope Limits: I was given tasks in accordance with my level because of a lack of preliminary practical experience as a student. Although this was good in the learning process, it implied that I would not be able to guide and supervise the whole audit process; however, I could work on particular sections and tasks.

Chapter 2

Background of the organisation

2.1 Introduction

AAKC identifies itself as a high-end full-service Chartered Accounting company in Dhaka, Bangladesh. The key strength that has been identified is the multi-disciplinary team. This can be

of critical importance in the elaborate regulatory setting of Bangladesh, whereby this implies that the firm is not confined to the traditional accounting and audit functions only.
AAKC can provide comprehensive solutions since it incorporates the services of Chartered Accountants, Corporate Financial Advisors, and Tax Consultants. To a client, this translates to the fact that he or she can have a complex tax litigation case (which involves a lawyer and tax consultant) under the same roof. The capabilities of the firm to provide personalised and world class advisory services can be attributed to its commitment to ethics, integrity and the never ending development of knowledge base.

2.2 History

An Account of the Legacy of Public and Professional Service.
The company has a history of leadership and intensive involvement in regulation. Mr. Akhter Zamil FCA, who served as Audit and Tax Partner in one of the big firms and also played key roles in government and the profession including the Directorship and the Chairmanship of Karma Sangsthan Bank and his long service with Sonali Bank Ltd. as a Tax Consultant, has set a high standard. This experience gives AAKC an institutional memory and knowledge of the public sector, tax, and corporate law.
This tradition of serving society is quite active up to date with the current partners, especially the Managing Partner, Mr. Abbas Uddin Khan FCA. This special history ensures that AAKC not only has technical accounting knowledge, but also a very deep, inside knowledge of regulatory systems, something priceless to clients in the process of negotiating government compliance and the highly complicated corporate systems.

2.3 Firm's Profile

Strategic Leadership and Regulatory Affiliation.
The company profile shows that the firm has a very experienced, strategically oriented partnership.
Partners' Strategic Roles:

Mr. Abbas Uddin Khan FCA (Managing Partner): He has been a past President of the Institute of Chartered Accountants of Bangladesh (ICAB) and commissioner of the BSEC (Bangladesh Securities and Exchange Commission), and therefore, he comes with a background of a regulatory perspective to corporate governance and finance. This is a very important experience for clients subject to capital markets and regulatory scrutiny.

Mr. Biplob Saha FCA (Senior Partner): He is a highly experienced person with more than 19 years of work experience in various firms and industries, and has profound operational knowledge in the field of audit, ta,x and the technical field of Valuation.

Mr. Mubin Shaikh FCA and Mr. Rezaul Mahmoud ACA: They have decades of experience together, which guarantees them specialization in corporate compliance, internal control systems, and compliance with international reporting standards (IAS/IFRS/ISA).

Affiliation (FRC and ICAB): It is important to note that it is compulsory to be listed by the Financial Reporting Council (FRC) and the Institute of Chartered Accountants of Bangladesh (ICAB), which is a sign that the firm has the highest standards of quality control and governance to practice and conduct statutory audits in the country.

2.4 Vision, Mission, and Strategic Intent.

Client-Centric Growth

The following statements characterize the firm operational philosophy:

Vision (Personalized Assurance): To empower clients to operate flawlessly and realize their real potential goals underlines the fact that AAKC considers itself an active enabler but not a compliance checker. This is an indicator of a consultative relationship that is personal.

Mission (Reputability and Specialization): The emphasis on delivering high-quality, ethical, and specialized financial and advisory services puts into the spotlight the intention to become a market leader due to the emphasis on deep and technical knowledge instead of quantity.

Strategic Intent (Capacity Enhancement): The promise of constant improvement of the capacity of the firm and the consistent contact with the industry is important in a rapidly developing economy. This is to make sure that AAKC is up to date with changes in tax laws, international reporting standards, and digital transformation trends so that they can provide integrated and effective solutions.

2.4 Services Provided by AAKC

The company offers a very broad range of services in the full business lifecycle, which is why it is a full-service company

Audit and Assurance: The concentration on compliance with ISA and IFRS makes the audit report acceptable to all stakeholders of the organization in the interest of foreign investors, lenders, and parent companies operating at the multinational level.

Tax and VAT Consultancy: In addition to simple filings, this consists of complicated issues such as Tax Assessment and Appeal handling, and VAT compliance(including duty drawback and cash incentives), which is important in export-based or manufacturing firms.

Management Consultancy and Accounting Services: This includes creation of Internal Control Systems (a major risk mitigation tool) and Business Process Re-engineering to the expert outsourced accounting services using current platforms such as QuickBooks.

Some special Services:

Valuation (Share/Business): M&A, regulatory compliance and family disputes.

IPO Process Support: This is a highly specialized service, which exploits the regulatory experience of the partners (in particular, the period when Mr. Abbas Uddin Khan worked in BSEC) to take companies through the rigorous process of joining the stock exchange.

Financial Advisory: Involves sourcing complicated capital such as Venture Capital as well as structuring Cross-Border Financing; a sign of ability to carry out strategic deals of high value.

2.5 Significant group of clients receiving services.

A sophisticated and diverse client base is the basis of AAKC, which is based on the services, as well as the background of the partners. They likely serve:

Local Conglomerates and Mid-to-Small Private Sector Entities: Mandatory statutory audit, tax planning and strategic management consultancy.

Financial Institutions: With the regulation experience of the partners (BSEC, Banks), they are most appropriate to serve the banks, NBFIs (Non-Banking Financial Institutions) and insurance companies that demand specialized audit and financial advisory.

Public Sector/Development Agencies: Utilizing the history of government service and conducting special audit, project assessment, and compliance inspections of the state-owned business or government-funded project.

IPO-Bound Firms: Companies that require entry into the capital markets will use the services of AAKC, corporate finance expert and BSEC-trained experts.

2.6 Training

Training is the most important to quality and knowledge in the Chartered Accountancy profession. AAKC is highly devoted to this because it takes place in two fundamental ways:

Training of Article-Ship: As an ICAB-associated company, AAKC has permission to train potential CAs (Article Students) under strict ICAB guidelines. This gives the company a continuous pool of highly educated and dedicated employees and the future generation of accountant is trained to its standards.

Continuous Professional Development (CPD): All partners (such as Mr. Abbas Uddin Khan, a Past President of ICAB) and professional employees must undergo frequent CPD programs, usually organized by ICAB. Bangladesh changes to the Income Tax Ordinance and VAT Act.Innovations in Ethics and Professional Scepticism, the key to quality assurance work.

2.7 Operational Organogram of AAKC

Fig 1

Chapter 3

AUDIT PROCEDURE IN BANGLADESH

3.1 Introduction to Audit Process and Procedure.

Auditing is an essential part of good corporate governance and regulatory compliance, which basically aim to mitigate stakeholders against material misstatement and non-compliance with statutory and regulatory provisions. This professional practice among the Bangladeshi businesses is governed and controlled under the Bangladesh Standards on Auditing (BSA) which is stipulated by the Institute of Chartered Accountants of Bangladesh (ICAB) requirements. These BSAs are derived systematically out of and substantially converged with the International Standards on Auditing (ISA) thus creating a global and high quality assurance system. This intersection is important in ensuring that audits undertaken in Bangladesh meet international quality standards which will go a long way in ensuring that financial statements prepared in one country are cross border comparable. Audit Practice Manual (APM) serves as the prescriptive manual, which converts the principles of the BSAs at high levels to the specific and executable steps that practitioners need to follow. The general goal, as the profession requires, is to provide reasonable assurance, that the financial statements in their entirety will be free of material misstatement whether the misstatement is due to fraud or by error.

3.1.1 Audit Process

The audit process is the chronological arrangement of the steps that the auditor sequentially adheres to when undertaking the overall review of the client records. This is a cyclical process that starts with the necessary knowledge of the specific operating environment of the client and ends with communication of the audit opinion. The nature, depth, and scope of the audit process will finally determine the nature of the engagement and the objectives thereof.

3.1.2 Auditing Procedure

The auditing procedures can be defined as the techniques and methods that are used by the auditor with the aim of obtaining enough and relevant audit evidence and that can be fully described in the ISA 500, Audit Evidence. These processes are useful in supporting the underlying soundness of the accounting records, thus allowing the auditor to be objective in the determination of overall reasonableness and logical presentation of the reported financial statements. Some of the core procedures often include the acts of identifying the physical assets, seeking third-party confirmations (i.e., bank confirmations), and an excruciating assessment of the inner control system of the client.

3.2 Four-Stage Audit Process according to APM.

The Audit Practice Manual (APM) of the ICAB summarizes all the contents of the audit engagement into four separate, but in a continuously integrated, stages:

3.2.1 Planning

The Planning stage includes the initial step, which is required as per BSA (exactly as per the ISA 300, Planning an Audit of Financial Statements). It is worldwide considered to be the key decisive factor of the successful audit result and the guarantee of the disciplined and risk-oriented methodology application to the whole engagement.

Documentation: It presupposes the creation of a detailed and client-focused planning memorandum. The risk-based approach is largely the dominant technique in this planning stage, whereby the auditor would have to dedicate all possible effort and resources to those areas that are found to be most vulnerable to material misstatements. The memorandum is a formal record of the overriding audit strategy, the basis against which the approach adopted was followed and includes:

The nature of the business of the entity, its structure for business and the environment of the industry.

The areas of the audit risk were identified, as well as critical accounting and financial issues, and the intended ways to approach these issues during the engagement.

Risk and Materiality: This is the concurrent assessment, which is the main planning processes. The risk assessment that is one of the primary requirements of the BSA-prescribed methodology (which is connected with ISA 315, Identifying and Assessing the Risks of Material Misstatement) has a direct impact on the further recognition of the suitable audit procedures and the required sample sizes. This is in effect in conjunction to the determined materiality level (BSA/ISA 320) and the attributes of the population under study.

Controls Tests: The BSA requires that an effective consideration and assessment of the internal control system of the client be done. The auditor must assess the effectiveness of such design and subsequent execution of all the controls which are considered to be relevant to the audit. These controls are required to be assessed to enable the auditor to develop professional expectation on the effectiveness of such controls. In case, the auditor concludes that testing controls would be more effective compared to substantive procedures that are achieved by using extensive substantive procedures (which may be too expensive or inadequate), compliance testing is undertaken. In turn, compliance testing is obligatory in situations, when the risk assessment depends on the successful functioning of the controls, or when separate substantive testing is considered to be inadequate to achieve the necessary degree of assurance.

Analytical Review: This is a technique that makes an important source of audit evidence and ought to be consistently used during the audit engagement as opposed to being assumed only in the final review stage. Its strategic use is supposed to guide the audit team to the areas of high concern by assisting in the detection of unusual fluctuating figures, unexpected human relationship in the financial matters, or even major deviation to projected trends.

3.2.2 Gathering of Audit Evidence.

The phase is characterised by the methodical implementation of the modified audit plans in getting adequate, fitting and believable evidence, in strict adherence to BSA/ISA 500, Audit Evidence.

Individual Programs: As much as APM programs are designed to provide a range of guidance, they should be carefully tailored to meet the special conditions and the intricacies of the operations of the client environment. The audit procedures should be designed in a specific manner to deal with the different financial statement claims (e.g., existence, completeness, valuation, rights and obligations) under test.

Audit Sampling: The attainment of appropriate enough audit evidence is also the basic goal. Sufficiency is the measure of the evidence in a quantitative way, and Appropriateness is the qualitative characteristics of evidence, i.e., its relevance and reliability. It takes a significant amount of professional judgment to identify the necessary level of an adequate sample size, with references to the principles stated in the BSA/ISA 530, Audit Sampling. The practical benchmark is the consideration of inherent risk factors, materiality, and the nature of the population. More importantly, the sample chosen should be representative enough to represent the whole population to allow extrapolation of results and make credible conclusions.

Assessment of mistakes: The mistakes found during the process of conducting tests should be assessed in a systematic and detailed way. In case they find out the errors due to the process of sampling, the auditor must assume that the calculated error rate would apply to the whole population that has to be examined. This is an estimated error added to any factual errors that are found is then added up and evaluated against the agreed performance materiality and total materiality levels. Auditors must determine, as per the identified errors, whether they are only isolated issues or if there is a systemic issue that exists in the internal control environment, which would inevitably lead to additional in-depth investigation and, to a larger degree, an increase in the amount of audit work.

3.2.3 Controlling and Recording

This step focuses on the intensive application and careful upkeep of audit records in an attempt to create a full, well-substantiated and defensible audit file, as formally obliged by BSA/ISA 230, Audit Documentation.

Recording Transactions: Audit work includes the observation and the verification of the accuracy and correctness of recording financial transactions in the double-entry system in full compliance with BSAs, and a critical evaluation of the appropriateness and implications of general journal entries.

Audit Documentation: The audit documentation is generally known as the working papers, which are the detailed, written documentation of work that the auditor has done, evidence gathered, and the professional judgment that the auditor has made. The documentation has a number of very important purposes: it helps the engagement team to plan and carry out the audit, enables the mandatory review of external quality control, and gives the necessary evidential record that could be used by the final report of the auditor. The documentation should be sufficiently detailed to permit an experienced auditor who has no prior knowledge of the engagement to comprehend the nature, timing, and scope of the audit procedures conducted, the outcome of audit procedures done and the professional judgments made.

Use of Accountancy Work: As far as the internal accounting work of the client was completed with proper planning, control, and review, and specifically focused on articulating audit objectives, the documentation thus may potentially be used as supportive audit evidence. This can allow the necessity of a decrease in the requirement for additional thorough examination in some cases. Nevertheless, professional scepticism must be upheld by the auditor, and the internal evidence can never be as good as that provided by external and independent sources. Therefore, even top-up work, e.g. formal confirmation of bank balances or third-party receivables, is still required to adequately fulfil assertions that specifically require external verification (e.g., existence and valuation).

3.2.4 Review and Opinion

The last step requires an overall revamp of the entire audit project by the assigned audit partner to make and justifiably develop the ultimate opinion, following the strict regulations of BSA/ISA 700, Forming an Opinion and Reporting on Financial Statements.

Review Procedures: Standardised tools, including checklists and critical review questionnaires (e.g., Partner Completion, Audit Completion, Critical Review of Accounts), are being used to review in a systematic manner overall performance quality and totality of audit findings. The requisite final review by the partner is paramount, to assure the attribution that all noteworthy issues are duly addressed, all the requisite consultation has occurred and the documentation of the quality of the work finely serves to attest the conclusion, which is fully in line with the overall review requirement of BSA/ISA 700.

Conclusion Formulation: It is an obligation to come up with a conclusive statement on each discrete audit domain and test that is conducted. Any working paper should clearly state the aim of the tests, the finer work performed, the results obtained and the ultimate professional conclusion made. This statement of conclusion is an essential part of the indefensibility of the audit file by any third party.

Audit Opinion: The final and most important deliverable is the audit opinion. An unqualified (or unmodified) opinion can only be given at the moment when the auditor can state that the financial statements are presented fairly, in all material aspects, in accordance with the existing financial reporting framework. On the other hand, when the auditor is convinced that the financial statements have material misstatements (BSA/ISA 705), or when the auditor cannot result in adequate appropriate audit evidence to the conclusion that the financial statements as a whole are free of material misstatement (BSA/ISA 706), a modified opinion (qualified, adverse, or disclaimer of opinion) should be issued formally. The conclusion part of the working papers is the last place of storing evidence to support the particular opinion made.

3.3 Key Audit Concepts

Audit Risk

Audit risk is officially stated as the risk that the auditor will either give a material misstatement in the financial statements through the expression of an inappropriate audit opinion. This is the conceptual framework which is central to BSA/ISA 315, Identifying and Assessing the Risks of Material Misstatement.

The audit risk model gives a necessary conceptual framework towards the successful handling of the engagement risk. Audit risk is traditionally considered as the product of three interrelated factors, namely Inherent Risk (the vulnerability of a financial statement assertion to a misstatement, in the absence of any related internal controls), Control Risk (the risk that a misstatement that might occur will not be averted, or identified and remedied, by the entity internal control system), and Detection Risk (the risk that the auditor will fail to identify a misstatement that exists and can be material). This integrated risk is strategically addressed as per the two main checks:

General Risk Assessment: This is mainly referred to the cumulative assessment of Inherent Risk and Control Risk, which refers to the commercial and regulatory environment, the pervasive business risks facing the entity and the integrity and competence of its management in general. An increased perception of the general risk will result in the need to have a lower level of overall audit risk and hence, a significantly high amount of audit assurance.

Specific Risk Assessment: This is an assessment that is used to identify and aggregate different risks in specific financial statements assertions. The general risk assessment is what determines the acceptable level of Detection Risk, which is strategically addressed by the nature, timing, and scale of substantive audit procedures conducted. Moreover, such an evaluation can be used, especially when dealing with smaller engagements, in reference to the specific adjustment of the entire audit program, so long as this alteration is stringently recorded and professionally explained.

Materiality

Under the formal meaning of Materiality in Planning and Conducting Audit as prescribed by BSA/ISA 320, Materiality in Planning and Performing an Audit, information is formally material when the absence or inaccurate presentation of the information might reasonably be likely to affect the economic decision-making of users based on the financial reports. The size, or rather the qualitative aspect of the item in the particular contextual situation of the misstatement, is intrinsically related to the determination of materiality.

The materiality process is a dual process in nature. Although quantitative benchmarks (e.g., 5 per cent of profit before tax or 0.5 per cent of total assets) offer an arithmetical starting point, which is also necessary, qualitative considerations play the same role. These qualitative considerations include, but are not limited to, misstatements which have an impact on meeting the stringent regulatory standards, misstatements which have the effect of reversing a profit to a loss or misstatements which have a material effect on key segmental or regulatory disclosures.

There are two fundamental effects that materiality has on the implementation of the audit:

It is an important element that defines the correct nature, time and scope of the substantive tests of details conducted during the audit. Moreover, auditors have to determine Performance Materiality (BSA/ISA 320), which is less than total materiality. This level is specifically applied to minimise the likelihood that the cumulative total of undetected and uncorrected misstatements is more than the cumulative total of materiality as a whole, hence creating a sufficient level of safety when conducting the audit procedures are carried out.

It dictates the professional judgment that the auditor makes on whether to seek client correction of the actual and presumed errors that are identified and on the overall materiality of areas with judgmental disagreement. Material misstatement Accounting Accounts that are considered to reflect a true and fair picture are, according to professional accountants, those shown to be free of material misstatement.

Chapter 4

AUDIT PROCEDURE OF AAKC

As a small and professional services firm, the paramount goal of Akhter Abbas And Co. is to provide high-quality and efficient audit opinions in compliance with all relevant international and national standards (e.g., ISA, BSA, depending on the particular jurisdictions of clients and their needs). The company will also focus on being responsive and, at the same time reduce disruption to the operations of clients. The procedural framework is based on the underlying principle that for small entities, extensive and highly formalised testing of internal controls is often both impractical and not cost-effective. Therefore, the methodology depends to a considerable extent on targeted substantive testing, strict procedures of analytical review, and personal participation and professional judgment of the Partner to achieve the desired satisfactory degrees of audit assurance. This method can be used to maximise the use of resources, where audit effort is focused on the areas of risk of material misstatement where it is determined to be most significant, and thus, the voluminous and redundant formal documentation associated with such areas is minimised.

4.1 Engagement Procedures

In the case of a boutique company, the client engagement process is carried out with great rapidity, and the primary focus is on personal confirmation and clear-cut clarity on the scope of work. The tedious process of exchanging several formal correspondences that is typically used by large companies is reduced into a very effective series of necessary steps, which is aimed at streamlining the process of launching the audit and setting the clear parameters of professional liability.

A. New Client Acceptance

Initial Consultation and Pre-Make Assessment: The Partner or Senior Manager holds a first meeting with the prospective customer to quickly determine the complexity of the business, the nature of the major transactions, the underlying accounting information system (i.e. manual, computerised information system, enterprise resource planning-based system) and the important financial cycles. An initial quote of the approximate cost and project timelines is then given through verbal or a short written message. This preliminary assessment is also crucial in determining the client's integrity in terms of the business and ensuring that they comply with the firm's quality acceptance criteria.

Pre-Acceptance Communication (Professional Clearance): The pre-acceptance communication is a prompt communication done with the previous auditor (where the existence of such a body exists), normally through communication, and this is usually a telephone call or an electronic mail. This is done to ensure that there are no professional impediments (e.g. arrears of fees and/or ethical issues that would otherwise prevent the engagement of the firm) as required by the current ethical standards. This is a communication element that cannot be ignored in the proper management of professional risk.

The Governing Contract (Engagement Letter): Akhter Abbas And Co. prepare and signs a legal contract of Engagement. This one document completely details the scope of the assignment (e.g., statutory audit versus non-assurance review), the agreed-upon fee structure and payment terms between the auditor and the client, the direct output of the assignment (e.g., the Audit Report and Management Letter), the express responsibility of the client of maintaining accurate records and the effectiveness of internal controls, and the financial reporting model (e.g., GAAP/IFRS) that will be used. This single, definitive contract is an imperative to meet the compliance standard of auditing, and also, as a way of reducing the risk of scope ambiguity or material misunderstanding.

B. Reappointment of Clients.

Continuance Assessment and Fee Proposal: The company sends a brief message (letter or electronic mail) containing an offer to serve in the next financial year. This correspondence will record any suggested changes to the fee structure or a required change in the scope of work, which could have been necessitated by the findings of the previous year or any changes in the operational environment of the client or any changes in regulation requirements.

Formal Client Confirmation: The client notifies their decision on reappointment formally, usually by way of a special instruction letter, or a part of the resolution of the Annual General Meeting or Board minutes.

Confirmation of Terms Annual: In cases where there are no material changes to the terms of the Engagement Letter that have been signed beforehand, the firm may issue a short Annual Confirmation Letter to reference to the permanence of the old terms, which saves time and resources. In case any of the following items substantially change the scope, fee, reporting structure or key client personnel, there must be a new and updated Engagement Letter issued to get all the documents related to the contract to date and be legally binding.

4.2 Audit Procedures

Akhter Abbas Khan and Co. audit performances are structured and executed in phases, which are strictly guided by the International Standards on Auditing (ISA). This would make the audit effective and able to detect material misstatements.

1. Planning

2. Field Work

3. Review

4. Report

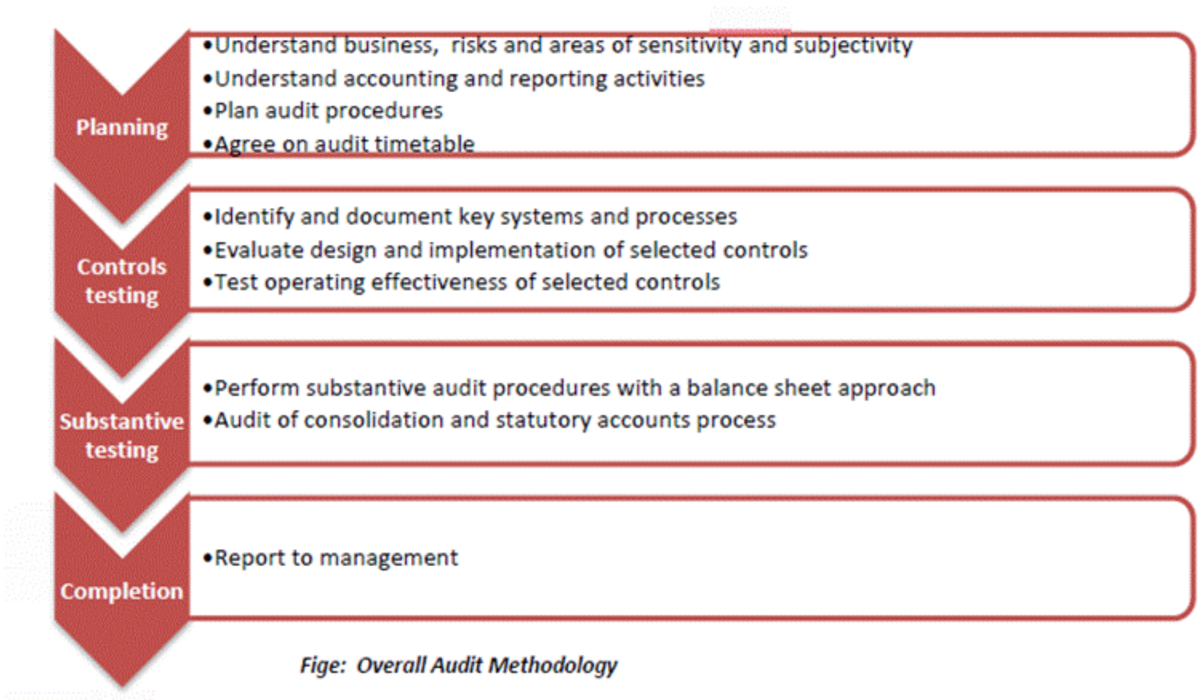

Fig 2

4.2.1 Planning the audit and risk assessment.

The survey and acceptance of the client at the beginning of the work (ISA 210)

A preliminary survey is also carried out before the fieldwork commences to make the team to be acquainted with how the entity works, its projects and its funds. The meetings with management are the first to be held in order to see what is expected and what concerns them in particular. The step is important in establishing the audit focus and adherence to the provisions of ISA 210 (Agreeing the Terms of Audit Engagements).

The appraisal of internal control systems, (ISA 315)

We carry out an appraisal of internal control environment in compliance with the ISA 315 (Identifying and Assessing the Risks of Material Misstatement). This involves:

Internal Control Questionnaires (ICQ): The accounting system is assessed with the help of standardised and customer-specific questionnaires.

Management Interviews: Interviewing important people in the management to understand where weaknesses are.

Checklist Formulation: Coming up with a systematised checklist to make certain that all the aspects of internal control, including authorisation to physical security is done.

Strategic Audit Planning (ISA 300)

We prepare a formal Audit Plan under the IFRS 300 (Planning an Audit of Financial Statements). This plan determines the substantive testing nature, timing and scope. It contains a certain guideline on identifying material misstatements or non-compliance and provides the degree of emphasis applicable to some aspect of the financial statements, depending on the level of risks identified.

Risk-Based Audit Programming

We embrace a Risk-Based Approach, which is a requirement of the ISA framework:

Risk Assessment: This is the risk assessment of the likelihood of material misstatement caused by an error or fraud.

Client: Rajib Agro Business (Pvt) Ltd	**Year End:** 30.06.2025	**File No.**	**Ref:** C6.1

AUDIT RISK CHECKLIST

	Yes/No/ NA	***Comments***
1 Was a detailed risk assessment (C6.4) performed in previous years?	N/A	This is a first year audit
2 If not then complete the detailed risk assessment (C6.4) and place a copy on the permanent file.	Yes	C6.4 will be completed accordingly
3 If a checklist was completed in previous years then review the checklist with the client to ensure it remains up-to-date.	NA	This is a first-year audit
4 Have all specific risks assessed as medium or high been recorded on the risk action plan (C6.3)?	Yes	
5 Have all other specific risks that may result in a material misstatement been recorded on the risk action plan (C6.3)?	Yes	
6 Has the design and implementation of the entity's controls, including relevant control activities, been evaluated for all risks set out on the risk action plan (C6.3)?	Yes	Evaluated in C5.1
7 Has the overall response to risk been summarised at the financial statement level (C6.2)?	Yes	
8 Have additional compliance tests on the operational effectiveness of controls been planned where:	NA	
(a) the specific risk assessment included an expectation that controls were operating effectively, or	NA	
(b) Substantive procedures are not expected to provide sufficient appropriate evidence to reduce risk to an acceptably low level.	NA	
9 Where we plan to rely on the operating effectiveness of controls to mitigate significant risks at the assertion level; have we planned to obtain evidence about the operating effectiveness of those controls from tests of controls to be performed in the current period?	Yes	
10 Where we have determined that an assessed risk of material misstatement at the assertion level is significant have we planned substantive procedures that are specifically responsive to that risk?	Yes	
11 Have we specifically considered the possibility of fraud in relation to revenue recognition and documented the approach in this area (C6.3)?	Yes	

Fig 3

Control Testing Design: Procedural design to test effective controls where we are going to depend on them.

Substantive Design: Writing detailed account balance tests based on the residual risk following the evaluation of control.

4.2.2 Fieldwork and Evidence Gathering.

Walk-throughs and Control Testing.

Significant processes are recorded and experimented with in the course of the major fieldwork. This includes a walk-through test, which involves tracing a single transaction all the way to the final ledger to understand what may go wrong and detect whether the preventative or detective controls are operating as intended.

Sample Selection (ISA 530)

Our sample sizes are in line with the strength of the internal control system as stipulated in the ISA 530 (Audit Sampling). Where controls are weak, the sample size is increased (High Substantive Approach), and where strong controls are applicable, smaller sample sizes can be used (Reliance Approach).

Substantive Testing (ISA 500 & 540)

According to ISA 500 (Audit Evidence), to have validity, accuracy, and completeness of transactions, we carry out tests:

Test of Transactions: Authorise source documents by means of vouching.

Physical Verification: Assets, inventory, or manpower should be physically inspected in a sample manner to verify their existence.

External Confirmations (ISA 505): Requesting the third parties (banks, debtors, and creditors) to independently confirm the balances by sending written requests.

4.2.3 Review and Documentation.

Analytical Procedures (ISA 520)

We do reasonableness tests under ISA 520. These involve the comparison of historical data, the current data and the budgeted and actual expenses. Significant changes are explored to make sure that they are not caused by mistakes or anomalies.

Documentation of working papers (ISA 230)

The ISO 230 (Audit Documentation) stipulates that the working papers should be elaborated enough that a competent auditor with no prior relation to the audit can discern the nature, timing and scope of the processes conducted. To inspect the evidence and schedules, cross-referencing is used.

Evaluation of Findings

The Audit Manager and Engagement Partner review the working papers at every stage. Where changes are required, the same are proposed to the management. Issues that do not carry materiality in the audit report, but influences on the operational efficiency, are reported through a Management Letter.

4.2.4 Reporting.

Drafting and Discussion (ISA 700)

We then prepare the audit report after a subsequent events review (ISA 560). We have a Closing Meeting with management, which will examine findings and seek clarifications. This makes the report balanced, and the views of the management are taken into account.

Final Report Submission

The final report is given out after the discussion and any amendments needed according to the ISA 700 series (Forming an Opinion and Reporting on Financial Statements). This is the last document that is reported to the management as required in the appointment letter.

4.3 Provisional Timetable (man-days)

Stage	Activities	Estimated Man Days		
Planning	Prliminary Survey		02 days	
Preliminary Survey	Bangladesh for the collection of all applicable documents (The study of the documents will go on after collection)		07 days	
Field Work	Start Field work (Deputation of the field work)			
	Apply specific audit tests and methods to aprive specifior and methods to derive detailed expected audit audit outcomes			
	Finalization of the report			3 days

Fig 4

Chapter 5

LEARNING PART

5.1 Introduction

Learning aspect of the internship was expected to convert academic knowledge in theory into professional skills. Being employed in an organised setup at Akhter Abbas Khan & Co., I had a chance to see the ethical, technical, and operational aspects of a leading Chartered Accountancy firm. The main emphasis of the period was to learn about the lifecycle of an audit and professional scepticism needed to analyse the financial data of such entities as Rajib Agro Chemicals and Rajib Agro Business.

5.2 Nature of the Job

The job was mainly based on External Audit and Assurance. My task as an intern was quite complex, and it involved complex thinking, attention to detail, and formal communication. The environment in which the work was developed was hurried and time-sensitive due to the demands of the peak season of the audit. The job involved:

Desk-based Analysis: The analysis of the financial statements, ledgers and trial balances submitted by the client.

Field-based Verification: Visiting customer physical locations to perform physical inspections and obtain primary evidence.

Teamwork: This involved working closely under the guidance of the Audit Seniors and Managers in order to make sure that everything was within the general audit strategy.

Technical Application: The use of accounting software and a standard working paper template for audit findings.

5.3 Job Responsibilities

Throughout the 12-week program, I had been given certain tasks, which led to the completion of audit files. My fundamental duties involved:

5.3.1 Documentation and Vouching

Vouching of Transactions: Review of a sample of sales invoices, purchase orders and expense vouchers to ensure that the transactions recorded and their accuracy have occurred.

Bank Reconciliation: Comparing the bank statements of the client to their general ledger to see whether there are any outstanding checks and deposits in transit.

Fixed Asset Verification: This helped in the maintenance of the fixed asset schedules and further ensured that depreciation had been calculated based on the accounting policies of the firm.

5.3.2.Audit Correspondence and Communication

Presentation of Confirmation Letters: Preparation and drafting of Bank Confirmation Letters to be addressed to different financial institutions to confirm the end-of-year accounts, loan information and contingent obligations.

Preparation of Essential Audit Letters: Helping in the preparation of other essential audit letters, such as Engagement Letters and Management Representation Letters, to make them satisfy the standard templates of the firm and its legal requirements.

Preparation and Minutes: Preparation of materials and minutes of meetings (Entry Meetings, where the scope of the audit and timelines are discussed with the client, and Exit Meetings, where preliminary findings and audit observations are discussed with the management).

6.3.3 Evidence Gathering

Inventory Observation: The Rajib Agro Business has chosen to have an end-of-year physical count of the inventory to ensure that the stock exists and is in proper condition.

External Confirmations: To help in preparing and sending confirmation letters to third-party debtors and creditors to confirm the balance in the accounts and the dues outstanding.

6.3.4 Analysis and Compliance Tasks.

Comparative Analysis: Basic horizontal and vertical analysis to determine any major annual changes in both revenue and costs.

Compliance Checks: Checking client records to determine whether they abide by the Companies Act 1994 and other applicable tax laws in Bangladesh.

Working Paper Management: The matching and sorting out of audit working papers (physical and electronic) so that they could be subjected to the standards of quality control of the firm and be easily looked up by the supervisors.

6.3.5 Professional Conduct

Confidentiality: Strict compliance with the non-disclosure policy of the firm in the sensitive client financial data

Reporting: Informing the Audit Supervisor on the daily progress of the assigned sections and on the findings of discrepancies in the course of testing.

Chapter 6

Procedures of client audit Rajib Agro Entities.

6.1 Company Overview and Legal Status

The audit engagement was on two separate but closely connected entities in the agricultural sector of Bangladesh, with a different level of organisational maturity:
Rajib Agro Chemicals Limited (RACL): It is a long history company, incorporated on 13 th January 1997 and has been operating in the agro-chemical market. Its established business offers a lot of historical values to be used in trend analysis.

Rajib Agro Business (Pvt) Limited (RABL): This is a recent company under private shareholders (Share Registration No. C-166411/2020), which was established on 07th December 2020. Being a younger organisation, the audit attention was too much skewed on the establishment and stability of its main internal controls.

Nature of Operations: The two companies operate in the fertilisers, pesticides, seeds, aquatic products, and animal health products. What I was supposed to do was to know their complicated supply chain, from how their chemical precursors were procured to how their finished products went to rural dealers, and how their financial reporting was going to reflect these seasonal operations.

6.2 Inspection Procedures and Risk Areas.

In the process of auditing the Rajib Agro entities, we have noted that there were some high-risk areas which needed some special inspection procedures to ascertain the integrity of the financial statements and to reduce the risk of material misstatement:

Risk Area	Description of Risk	Inspection & Audit Procedures Performed
Inventory Valuation	Risk of overstatement due to biological decay, chemical expiration, or non-compliance with IAS 2.	We performed physical stock-taking to verify existence. We requested item-wise valuation statements to check if stock was recorded at the lower of cost or NRV. Discrepancies were noted when valuation sheets were not provided, raising concerns about potential overvaluation.
Cash in Hand	High risk of misappropriation or window-dressing due to high year-end cash balances.	Standard procedure involves a surprise cash count on the last day of the financial year. For RABL, we noted an "Emphasis of Matter" because we were not invited to witness this count, which prevented us from verifying the existence of the reported balance through direct observation.
Revenue Cut-off	Risk of recording sales in the wrong period to inflate current year performance (IFRS 15).	We inspected sales invoices and delivery challans for the last 5 days of June and the first 5 days of July. This procedure ensures that revenue is only recognized when the "control" of goods has passed to the buyer, preventing the premature recognition of sales.
Accounts Payable	Risk of unrecorded liabilities or fictitious creditors due to lack of party-wise documentation.	We attempted party-wise verification by requesting a subsidiary ledger. Where documentation was missing, we performed a search for unrecorded liabilities by inspecting bank payments made after the year-end to see if they related to the audit period.
Operating Expenses	Risk of tax non-deductibility or leakage due to missing supporting vouchers.	We performed extensive vouching of administrative expenses. We flagged instances where electricity, stationery, and postage expenses were not supported by third-party invoices, as these are critical for compliance with the Income Tax Act 2023.

Fig 5

6.3 Noteworthy Audit Results and Findings.

Audit of RACL was a unmodified report, whereas RABL for the year ended 30th June 2025 had a Qualified Opinion. This is to indicate that the financial statements show a true and fair picture with some exceptions.

Key findings included:

Inventory Valuation (IAS 2 Departure): The management has not created an item-based valuation statement, and therefore, the carrying amount cannot be verified. In the absence of this, we would not be able to ensure whether the value or impairment of the inventory has been determined appropriately.

Payables Documentation: The documentation was not in the form of party-wise schedules, which prevented us from conducting independent balance confirmations. This is one of its major control weaknesses since it will not enable reconciliation of company records and their third-party statements.

Emphasis of Matter (Cash Verification): The high amount of cash balance was not verified because a physical count was not witnessed. This is not a requirement, but it is the emphasis of the matter that attracts the user to concentrate on a serious risk when it comes to the existence of the assets.

Internal Control Deficiencies: Administrative overheads were found. These were reported in the form of a Management Letter and gave the client a road map of how to enhance their internal record-keeping and governance.

6.4 Audit Finalisation and Regulatory Compliance.

During the last phases, I assited preparing the Independent Auditor Report and compiling the final audit file. This included:

Editing the Management Representation Letter (MRL): In order to make the management formally responsible, all the management representations should be countersigned and dated before the issuance of the reports.

DVC Generation: This understanding of how to arrive at the Document Verification Code (DVC) using the ICAB portal. It is a compulsory provision in Bangladesh to guarantee the truthfulness of reports that are provided to the RJSC and NBR.

Final Archiving: This was done to ensure all working papers were indexed and cross-referenced to have a clear audit trail. This last exercise will be necessary to have quality control and to make sure that the sign-off by the Engagement Partner is backed by a well-developed and structured body of evidence.

Chapter 7

Conclusions and Recommendations.

The audit procedures would identify the material misstatements in financial statements and concentrate on the financial aspects of transactions and events. But when I was on the internship at Akhter Abbas Khan and Co., I realised that numerous practical loopholes and challenges in the system are likely to compromise the effectiveness of an audit. As per my observations during the audit of Rajib Agro Chemicals Limited (RACL) and Rajib Agro Business Limited (RABL), I have made a number of findings and given a number of recommendations associated with them.

7.1 Audit Findings

Professional judgment is subjective and therefore prone to errors.

7.1.1 Subjectivity of professional judgement.

An auditor can sometimes misevaluate an event, and this may cause him or her to fail to notice a misstatement in the financial statement. In the Rajib Agro engagements, I noticed that it was particularly up to the subjectivity of the auditor to define whether some of the undocumented administrative expenses were immaterial or systemic, and this presents a risk of inconsistent reporting.

7.1.2 Audit Sampling limitations.

The process of sampling used allows the auditors to conduct the audit effectively and at a low cost. Nevertheless, as observed during the verification of sales invoices of RACL, the sample can not always be representative of a complete population. This poses a natural threat of having material misstatements in the unselected items, which go undetected.

7.1.3. Too many Management Representations.

Although the auditors gather evidence through different sources, in many cases, IFRS relies heavily on the representations of the management on issues that can hardly be backed up on their own. An example is that we needed to trust the verbal information given by the management about the high amount of cash-in-hand and the absence of inventory valuation sheets, where the external verification could not be made.

7.1.4 Inherent Risk of Fraud

The guilty party is supposed to cover frauds and as such, they have a very high probability of going undetected. In agro-businesses where cash transactions and accounts movement are in high volumes, the risk of collusion or advanced window-dressing of the accounts is a constant challenge.

7.1.5 Time Constraint and Knowledge of the Client.

The auditing team is usually subjected to tight deadlines. Moreover, those who are engaged are interns or junior employees and, in some cases, are not briefed on the nature of the business of the client (e.g., whether it is seasonal agro-chemicals). This is leading to a large percentage of the field time being devoted to elementary comprehension instead of critical examination.

7.1.6 Work Programs Inconsistency.

The audit is given step-by-step instructions on work programs. But, to save time, auditors sometimes touch the heads of accounts shallowly instead of digging deep. As an illustration, a few administrative account heads within the Rajib Agro files got clearance through high-level analytical reviews instead of vouching.

7.2 Recommendations

7.2.1.1. Strengthening Professional Judgment.

All complicated or ambiguous situations must be deliberated upon in the audit team and to the management of the client before final opinions are published to make sound professional judgment. The standardisation of judgment application can also be achieved through peer reviews in the firm.

7.2.2 Improving the Precision of Sampling.

The more sophisticated statistical sampling techniques should be applied by auditors so that they can be more representative. In case of detecting errors in a sample (such as occurred in the case of the RABL documentation), the sample size must be instantly increased to determine whether the problem is common throughout the whole population.

7.2.3 Considering Corroborative Evidence.

Professional suspicion should be applied to internal evidence and management representations. The company must insist on a higher quality of audit evidence, like direct third-party verification of payables and receivables, to minimise the internal discretion of the management.

7.2.4. Implementation of strong Procedures of Fraud Detection.

Although fraud is a given risk, auditors can mitigate it when there is a sounder audit methodology used, including surprise physical counts of cash, and unannounced observation of inventory in place, instead of using only a scheduled visit.

7.2.5 Pre-Engagement Briefings

This can be done by ensuring that the supervisors or engagement in-charges give a full brief of the whole team before they start field work. A priori knowledge about the business of the client (e.g., what legal form and what legal status RACL vs. RABL occupies) can enable the team to begin substantial testing as soon as it arrives at the client site.

7.2.6.Auditors must strictly follow auditing work programs

Junior staff and interns need to be introduced to the work programs properly. The senior auditors are expected to ensure that all the steps of the program are adhered to and recorded in the working papers. The Engagement Partner should obviously authorise and justify any deviation of the work program based on time constraints.

7.3 Conclusion

The twelve-week internship with Akhter Abbas Khan and Co. has been a life-changing experience as it has helped me bridge the gap between the theory and the harsh reality of the professional world of auditing in Bangladesh. My exposure to the audit of the Rajib Agro Chemicals Limited and Rajib Agro Business Limited has presented me with a deep understanding of the attention to detail that is necessary to support the integrity of financial reporting.

Chartered Accountancy is among the most admired professions in Bangladesh, which has a step-by-step procedure that requires reasonable and professional attention. All the processes will work in accordance with the standards provided by the Institute of Chartered Accountants of Bangladesh (ICAB), from the first contact up to the submission of the final report. During my time in office, I noted that although companies such as Akhter Abbas Khan & Co have endeavoured to achieve excellence by ensuring smooth-flowing internal controls and a good line of command, the profession continues to experience problems about policy gaps and the nature of audit evidence.

The results described in this report, such as the subjectivity of professional judgment or the dependence on management representations, emphasise the need to keep a close watch and to be ethical at all times. The issued Qualified Opinion that was made in the case of RABL is a useful reminder that the stakeholders are the main priority of the auditor, and that they must be transparent despite any lack in documentation or internal controls.

To sum it up, it can be stated that the role of the auditing profession is critical in terms of how effective the internal control systems in different spheres in Bangladesh can be. The quality of audit work may be continuously checked by taking care of the specified loopholes and following the international standards. The internship has not only cemented my ambition to pursue a career in Chartered Accountancy, but it has also given me the skills and professional confidence to add to this magnificent profession. The final goal of any auditor is to achieve transparency and accountability and to contribute to the further development of the country with stronger and more ethical financial conditions.

Chapter 8

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Chapter 9

Appendix

AKHTER ABBAS KHAN & CO.
Chartered Accountants

Approved By-	Rezaul Mahmoud ACA
Reviewed By-	Alpona Aktar
Cheeked By-	Kame Khatun
Prepared By-	Jannatul Mawa Mou

TOP SHEET FOR PARMANENT FILE

Rajib Agro Business (pvt) Ltd

Serial No	Details	Section Ref.	Cheeklist	
	Please record all communication/work done/developments (even If trivial),including posts received/sent,client meetings, e-mails.		Documents Received (Y)/Not (N)/NA	Remarks
	Permanent File:			
A	**Companies General Information**			
1	Background of client			
B	**Companies Legal & Regulatory Information**			
2	Company Incorporation certificate.			
3	Updated Schedule X			
4	Updated Form- XII			
5	BIN Certificate			
6	TIN Certificate			
7	Memorandum and Articles of Association of the company			
8	Updated Trade Licenses (Corporate Office)			
D	**TAX Information**			
9	Tax certifiacte/ Tax return for the assessment year 2022-2023			
E	**Audit Appointment & Acceptance Procedures**			
10	EOI (letter of Expression)			
11	FORM 23 B (Rejection)			
12	AGM with Board Minutes			
13	Statutory Appointment letter			
14	Client Acceptance Questionnaire			
15	Professional clearence			
16	NOC From Previous auditor			
17	Appointment Acceptance letter			
18	FORM 23 B (Acceptance)			
19	Engagement letter			
20	Invitation letter from client to send the auditors			
21	EOI (letter of Expression)-Re-appointment of auditors'			
22	Independence declearation			

AKHTER ABBAS KHAN & CO.
Chartered Accountants

Approved By-	Rezaul Mahamoud ACA	
Reviewed By-	Rezaul Mahamoud ACA	
Cheeked By-	Alpona Aktar	
Prepared By-	Alpona Aktar	

TOP SHEET FOR CURRENT FILE

Client Name:	Rajib Agro Business (Pvt) Ltd.		
Contact Person:		Company Reg No.	166411/2020
Phone		TIN No: 475124409846	
E-mail:		Circle: 111 company	Zone:6
Address:	78/3 Nazimuddin Rd, Dhaka 1211		

Serial No	Details Please record all communication/work done/developments (even If trivial),including posts received/sent,client meetings, e-mails.	Section Ref.	Checklist Documents Received (Y)/Not (N)/NA	Remarks
A	**Audit Performing Procedures**			
1	Deputation			
2	Audit Requisition			
3	Client Acceptance Questionnaire			
4	Entry meeting			
5	Exit meeting			
6	Management representation letter			
7	Bill and forwarding			
B	**Audit Planning Procedures**			
8	Audit Cost Budget			
9	Audit Time Budget			
10	Analytical Procedures			
11	Planning Audit Materiality			
12	Cheeklist of Audit Planning			
13	Final Analytical Review			
14	Audit Planning Memorendum			
15	Entity Level Control Testing			
C	**Financial Statements**			
16	Last Year Audit Report			
17	Draft Accounts signed by management			
18	Current Year Audit Report			
19	DVC			
20	Trial Balance			
D	**Sampling**			
21	Sample Size Planning			
22	Cheeklist of Sampling			
E	**Audit Risk Assessment**			
23	Audit Risk Summary			
24	Cheeklist of Audit Risk			
25	Summary of Risk Renponse			
26	Risk Assessment			

F	**Disclosures and Compliance of Law & Regulations**			
27	Compliance List of IAS-1			
28	IAS Compliance List			
29	IFRS Compliance List			
G	**Substantive & Performing procedures (Accounts Line Items)**			
G.1	**Accounts Lines Item (top sheet & supporting documents)**			
H	**Audit Completeion & Final Review Procedure**			
30	Checklist of Going Concern			
31	Going Concern-Conclusion			
32	Manager Review			
33	Partner Review-Initial			
34	Partner Review-Final			

		Initial	Date	w/p Ref
Client: Rajib Agro Business (Pvt) Ltd.				
Period: For the Year ended 30 June 2025	Prepared by:	Jannatul Mawa Mou	03/11/2025	
Subject: PPE Addition	Reviewed by:	Rezaul Mahmoud ACA	04/11/2025	###

Voucher No./IFS	Voucher Date	Name of PPE	Details	Amount Taka	TEST										Remarks
					1	2	3	4	5	6	7	8	9	10	
	18/12/2024	Motor Vehicle	Toyota Corolla Cross	5,640,000											Satisfactory
	22/08/2024	Motor Vehicle	Bajaj 4-Stroke Motor Cycle Discover 110 Disc	151,000											Satisfactory
	17/11/2024	Motor Vehicle	M H Honda	165,000											Satisfactory
	02/Jun/25	Computer & Accessories	Epson LQ-310 Dot Matrix Printer	23,800											Satisfactory
	03/Jun/25	Computer & Accessories	Brother BTD 60 BK Black Ink	1,050											Satisfactory
		Total		5,980,850											

Conclusion: Objective achieved. No exception noted.

Rajib Agro Chemicals Ltd
Client Acceptance Questionnaire

Registered Address:	78/3 Nazimuddin Rd, Dhaka 1211
Date of Incorporation in Bangladesh :	13.01.1997
Incorporation Number	32138(1259)/97
Tax Identification Number (TIN)	575742917114
VAT Registration Number	002135794-0605
Trade licence with renewal date	TRAD/DSCC/349109/2019
Name and address of directors/shareholders of the company	Mentioned
Paid up capital of the company	1,000,000
Accounting year	2024-2025
Types of Company (Listed in SEC/ Private Ltd)	Private Limited Company
Parent Company Name: (if any)	N/A
Parent Company Address: (if any)	N/A
Nature of Business and Goal:	To carry on the business as an international and internal freight forwarder, related business as shipping agents, clearing forwarding and Carrier Sea of goods, merchandise of deferent descriptions by mechanically propelled vessels and ocean going ship.
Industry	Others
Geographical Coverage:	All Over The Bangladesh
Number of branch/ office within Bangladesh	1
Annual turnover	165,342,510
Gross Assets	119,300,740
Annual expense	25,961,338
Estimated Yearly Transection in Number	N/A
No of employees	N/A
Accounting System (Software/Manual)	Manual
Specific Guideline for Reporting/Group reporting:	No group Reporting
Financial reporting framework	IFRS & IAS
Does the company have monthly accounts or management accounts	No
Does the company have documented internal control system	Yes
Does the company have separate compliance department	Yes
Does the company have internal audit department	No
Does the company fully comply with the rules and regulations applicable for this types of business	Yes
Audit Committee:(If any)	No
Pending litigation and claim (if any)	Yes For Tax purpose only
Previous Auditor (If audited):	Dewan Nazrul Islam & co.
Reason for change of current auditor	Statutory Requirement
Management letter (if any) and audited financial statements of last years	Yes

Signature of client authorised representative

Conclusion:

Having regard to any points identified above, I am satisfied that appropriate procedures regarding the acceptance and continuance of this client relationship and audit engagement have been followed, and that the conclusions reached in this regard are appropriate and have been properly documented.

Signature of audit firm