Report On
Internal Audit Procedure at Walton Hi-Tech Industries PLC

By

Wasief Shakil
13204061

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
September 2024

Declaration

It is hereby declared that

1. The internship report submitted is my/our 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 which 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:

Wasief Shakil
13204061

Supervisor's Full Name & Signature:

Syed Mahbubur Rahman, PhD Associate Professor, Brac Business School
Brac University

Letter of Transmittal

Syed Mahbubur Rahman, PhD
Associate Professor,
Brac Business School
BRAC University
Kha-224 Merul Badda, Dhaka-1212

Subject: Submission of Internship Report on “Internal Audit Procedure at Walton Hi-Tech Industries PLC”.

Dear Sir,

This is my pleasure to display my experience of academic internship at ACNABIN, Chartered Accountants, BDBL Bhaban, Kawran Bazar.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

____

Wasief Shakil
13204061
BRAC Business School
BRAC University
Date: September 09, 2024

Non-Disclosure Agreement

This report does not contain any confidential information of ACNABIN, Chartered Accountants.

This agreement is made and entered into by and between ACNABIN Chartered Accountants and the undersigned student at BRAC University, Wasief Shakil.

Student's Full Name & Signature:

Wasief Shakil
13204061

Organization Supervisor's Full Name & Signature:

Tanjil Ahmed
Senior Assistant Manager, Audit & Consultancy,
ACNABIN, Chartered Accountants.

Acknowledgement

First and foremost, I am grateful to Almighty Allah for His mercy and blessings upon me throughout my internship journey at ACNABIN, Chartered Accountants.

I would like to express my sincere gratitude to my internship supervisor, Mr. Syed Mahbubur Rahman (Associate Professor, BRAC Business School). His is unwavering support, invaluable insights and mentorship were instrumental in the successful completion of my internship program. His step-by-step guidance have greatly contributed to the quality of this work and to report seamlessly with ease. I'm deeply indebted to him for of his kind and co-operative attitude towards me throughout the entire report writing process.

I am equally grateful to my on-site supervisor Mr. Tanjil Ahmed (Senior Assistant Manager, ACNABIN Chartered Accountants) and the entire ACNABIN Audit Team engaged in the internal audit function at Walton Hi-Tech Industries PLC. Working alongside such dedicated and inspiring individuals has been a privilege. Their collective knowledge and camaraderie enriched my internship experience and provided me with diverse perspectives about internal audit.

Lastly, I extend my gratitude to anyone else who directly or indirectly contributed to my internship and the creation of this report. This internship has been a transformative learning experience, and I am confident that the skills and insights I have gained will serve as a solid

foundation for my future professional pursuits. I look forward to applying this knowledge to make meaningful contributions in my chosen field.

Executive Summary

This study is the outcome of a three-month internship program that I completed at ACNABIN Chartered Accountants. Established in 1985, ACNABIN is one of the most reputed Chartered Accountancy firms in Bangladesh. It represents Baker Tilly International as an independent network member firm, offering high-quality assurance, tax and business consultancy services. I worked as an Audit Associate in one of ACNABIN's high profile clients at Walton Hi-Tech Industries PLC. Here, in the first chapter, the overview of the internship is included. In the second chapter I have covered a detailed overview of the organization, both ACNABIN Chartered Accountants (Internship Organization) and Walton Hi-Tech Industries PLC (Client Placement). In chapter 3, I have introduced the step-by-step internal audit and reporting procedure at Walton Hi-Tech Industries PLC on behalf of ACNABIN Chartered Accountants.

Keywords: ACNABIN; Chartered Accountants; Walton Hi-Tech Industries PLC; Baker Tilly; Internal Audit.

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List of Acronyms

CA	Chartered Accountant
ICAB	Institute of Chartered Accountants Bangladesh
SOD	Scope of Development
SOP	Standard Operating Procedure
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
APM	Audit Practice Manual
FCA	Fellow Chartered Accountant
OU	Operating Unit
PM	Production Management
QM	Quality Management
PD	Process Development
R&I	Research & Innovation
ERP	Enterprise Resource Planning
WHIPLC	Walton Hi-Tech Industries PLC
EBS	E-Business Services
JD	Job Description
HRMS	Human Resource Management Software

Chapter 1 Overview of Internship

1.1 Student Information

- Name: Wasief Shakil
- ID: 13204061
- Program: BRAC Business School
- Major/Specialization: Finance

1.2 Internship Information

1.2.1 Period and company info

- Period: 1st September 2023 to 31st December 2023
- Company Name: ACNABIN Chartered Accounts
- Department/Division: Internal Audit Department of Walton Hi-Tech Industries PLC
- Address: BDBL Bhaban (Level 13) 12 Kawran Bazar Commercial Area Dhaka-1215, Bangladesh

1.2.2 Internship Company Supervisor's Information:

- Name: Tanjil Ahmed
- Designation: Senior Assistant Manager, Audit & Consultancy.
- Email: tanjil.tj21@gmail.com
- Mobile: +8801303856567

1.2.3 Job Responsibilities:

- Worked with the Internal Audit Team of ACNABIN Chartered Accountants placed at Walton Hi-tech Industries PLC.
- As an auditor my primary objective was to ensure that the organization establishes a thorough risk management process and effective internal controls.
- Conducted audit related tasks such as audit planning, data analysis, sampling, meeting with client, process understanding, walkthrough tests, prepare annexures etc.
- Write-up of monthly Internal Audit Report to the Audit Committee.

1.3 Internship Outcomes

1.3.1 Students Contribution to the company

During my three months internship period, I worked on three different audit areas. An audit area usually comprises of four different departments i.e., Production Management (PM), Quality Management (QM), Research & Innovation (R&I) and Process Development (PD) under a particular Operating Unit (OU) such as Television (WTV), Refrigerator (WFR), Air Conditioner (WAC), Electronic Appliances (EAP), Home Appliances (HAP) etc.

In the first month, I was assigned to the audit area of Production Management Department of WTV. In this audit area, I identified a Scope of development (SOD) titled “Non-compliance with internal policy in regards to timely upload and approval of Production Plan in the EBS”. The internal policy states that the next month’s Production Plan must be uploaded in the E-Business Services (EBS) software within the 25th day of the previous month. However, upon analysis, I found that the internal policy was not followed in many cases.

In the second month, I was assigned to the audit area of Research & Innovation Department of WAC. In this audit area, I identified a Scope of Development (SOD) titled “The Standard Operating Procedure (SOP) needs to be updated in case of new product development”. Every department maintains an approved SOP which must be followed in the day-to-day operations. However, upon conducting a walk-through test during meeting with the auditee, I identified that the SOP was back dated and did not align with the department’s current practice.

In the third and final month of my internship, I was assigned to the audit area of Customer Service Management (CSM) Department. In this audit area, I identified a Scope of Development (SOD) titled “Found delay in assigning Service Experts (SE) to the corresponding Service Requests (SR) in many cases”. The internal policy states that the department must assign a Service Expert (SE) within 3 days of receiving a Service Request (SR) from the customer. However, upon analyzing the “Monthly Service Report”, I found that there was delay in assigning the Service Expert (SE) in many cases.

1.3.2 Benefits to the student

The company is regarded as one of the best clients for the learning opportunity of articled-students of ACNABIN Chartered Accountants. Every month the audited area changes giving rise to new challenges. During my three months internship period, I was assigned to three different audit areas. Due to the condition of monthly reporting, the student must adapt to working under a tight schedule. Few other benefits are given below:

1) Learning about the operational procedures: The internal audit team conducts a thorough audit of a particular department. During the course of the audit, students get the opportunity to understand the working process of different departments. Hence, the learning opportunity is much bigger compared to other organizations.

2) Skill development: While working in a corporate work environment, a student is able to develop his/her soft skills such as team work, leadership, timeliness, etiquettes etc. Moreover, I learned lots of functions of Excel, PowerPoint, MS-Word and Oracle software which is one of the biggest benefits of working here.

3) Networking opportunity: Networking is one of the key factors to achieve success in the corporate world. The internal auditor works directly with the department in-charge or higher officials of the organization. Thus, the networking scope is comparatively higher in this organization.

1.3.3 Problems/Difficulties (faced during the internship period)

Initially I faced many difficulties regarding understanding the audit procedure since I had no previous knowledge or experience in this field. All my other teammates were heavily burdened with their own individual tasks due to the tight reporting schedule so it was often difficult to extract knowledge from them. The difficulties I faced during the course of the audit was that the auditee is often skeptical about the audit fearing it may damage their reputation to the management if an error or non-compliance is exposed by the auditor. Hence, they are often un-cooperative and create unnecessary delay in providing the documents. I faced some difficulties in using excel at an advanced level for data analysis. I also faced difficulty in extracting data from the oracle software to which I was introduced for the first time in my life. Also, to conduct an audit you need to have a clear understanding of International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Audit Practice Manual (APM). Lastly, due to the tight reporting schedule I had to deal with high workload especially during the reporting time.

1.3.4 Recommendations

The firm may conduct training programs for the interns to introduce them with different aspects of the audit procedure, familiarization with the Oracle software etc. which will help them to adapt more quickly to the work process at a CA firm. The firm may also increase the availability of data to the interns which would help them greatly in their report writing. Also, the firm may consider not burdening the interns with too much workload since report writing is also a key factor in completing the internship program. As for the interns, I would suggest that only those students who are looking to pursue their career as an articled student in a CA firm upon completion of his/her graduation program should enroll in a CA firm for internship. Otherwise, the work practice and culture may not match with the expectation of an intern. If the intern is considering to pursue his/her career in the field of Chartered Accountancy, then this a very good opportunity to gain practical knowledge and experience before taking the final decision.

Chapter 2
Organization Part
2.1 Overview of ACNABIN

ACNABIN was inaugurated in February 1985, with the collaboration of seven founding partners each representing an alphabet in the formation of its name "ACNABIN". ACNABIN is registered with the RJS of Firms and companies following Section 58 (1) of the Partnership Act, 1932 (IX of 1932), effective from June 21, 1986, under the number PF 27897/86. It is regarded as one of the leading and most reputable Chartered Accountancy firms in the country and has significant exposure in the relative market. All the partners have many years of working experience for local and multinational/foreign organizations operating in Bangladesh and also with international consultants and organizations operating locally and globally. Currently it holds a large number of clients (approximately 350) who are actively engaged the in industry providing a wide range of accounting services such as Corporate Finance Advisory Service, Assurance Services, Internal Audit and Compliance Services, External Audit Services, Bank Audit, Tax and Regulatory Services, Business Process Outsourcing (BPO), Fixed Asset Management and Verification of Cash Incentive Files under FEPD circulars issued by Bangladesh Bank. It was initially associated with Arthur Andersen, LLP the then global leader in the field of accounting until its closure in 2002. Later, it became an independent member of Baker Tilly International which is one of the giants in the global network of independent accounting and business advisory firms. It was also a member of BDO International for short period of time in 1991. It also holds relationship with a number of UN Bodies, Donor and International Development Organization such as World Bank, Asian Development Bank, USAID, UNICEF, UNDP, ILO, UNHCR, FAO, PPD etc. Also, the firm has an establishment with the Bangladesh Securities and Exchange Commission (BSEC) and is listed as an eligible CA firm for Bank Audit by Bangladesh Bank. Furthermore, ACNABIN is a member of the Metropolitan Chamber of Commerce and Industries (MCCI), the American Chamber of Commerce in Bangladesh (AmCham), and the Dhaka Chamber of Commerce & Industries (DCCI). It is a registered members of the Institute of Chartered Accountants of Bangladesh (ICAB) which is the governing body of all articled CA students in Bangladesh. Currently, it comprises of 9 partners, 500 plus articled students and 90 plus staff members with two branches located in Dhaka and Chittagong. (ACNABIN, n.d.)

2.1.1 List of Services

ACNABIN provides a wide range of services in the field of Accounting and Business Advisory. Some of the key services provided by the firm is listed below:

- Corporate Finance Advisory Services
- Assurance Services
- Internal Audit and Compliance Services
- External Audit Services
- Bank Audit
- Tax and Regulatory Services
- Business Process Outsourcing (BPO)
- Fixed Asset Management
- Verification of Cash Incentive Files

2.1.2 ENGAGEMENT PARTNERS

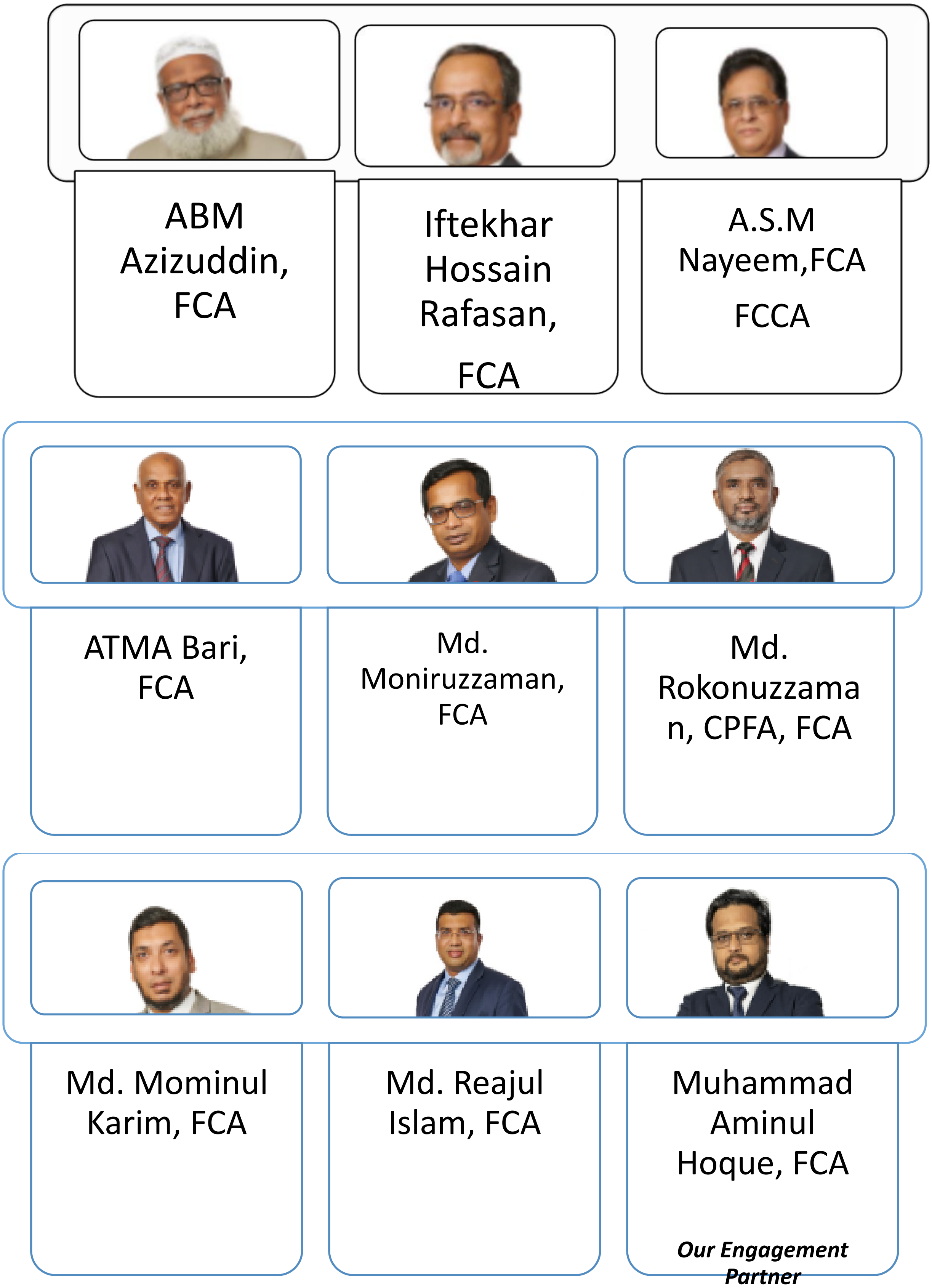

Figure 1: Engagement Partners

2.1.3 Major Clients List

- ✓ Walton
- ✓ Bangladesh bank
- ✓ Grameenphone Ltd
- ✓ Robi
- ✓ Banglalink
- ✓ Partex Group
- ✓ Aarong
- ✓ Rangs Group
- ✓ PRAN Group
- ✓ Rupayan Group
- ✓ LG
- ✓ Bergers paint
- ✓ Confidence Group
- ✓ ACI
- ✓ Pepsico
- ✓ Impress Group
- ✓ Ha-Meem Group
- ✓ Max Group
- ✓ M&J Group
- ✓ United Group

Figure 2: List of clients of ACNABIN

2.1.4 Using the ERP system of ACNABIN

One need to add his or her finger print at the reception and then the concern person of admin will create ID and will provide with a password against each designated ID.

Students and employees can:

- change their passwords from options
- There is also log out option.
- The job management module is coded by Arefeen Software Company.

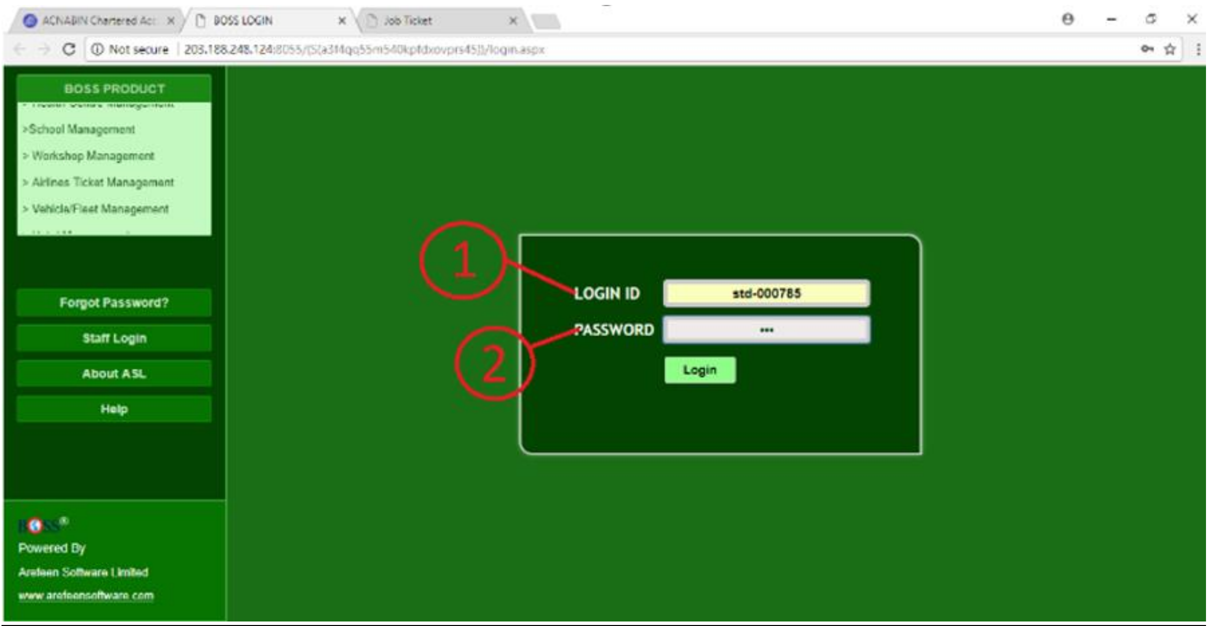

Figure 3: Student Login page of ACNABIN ERP

2.1.5 Job ticket entry

Figure 4: Entry Menu of ACNABIN ERP

We can find the job ticket entry option under the Entry Menu. Once we submit any job ticket, we need to wait for its approval. Upon approval we will be allowed to record our attendance using time sheet. For every month we need approved job ticket for entering our time sheets in 2 fortnights.

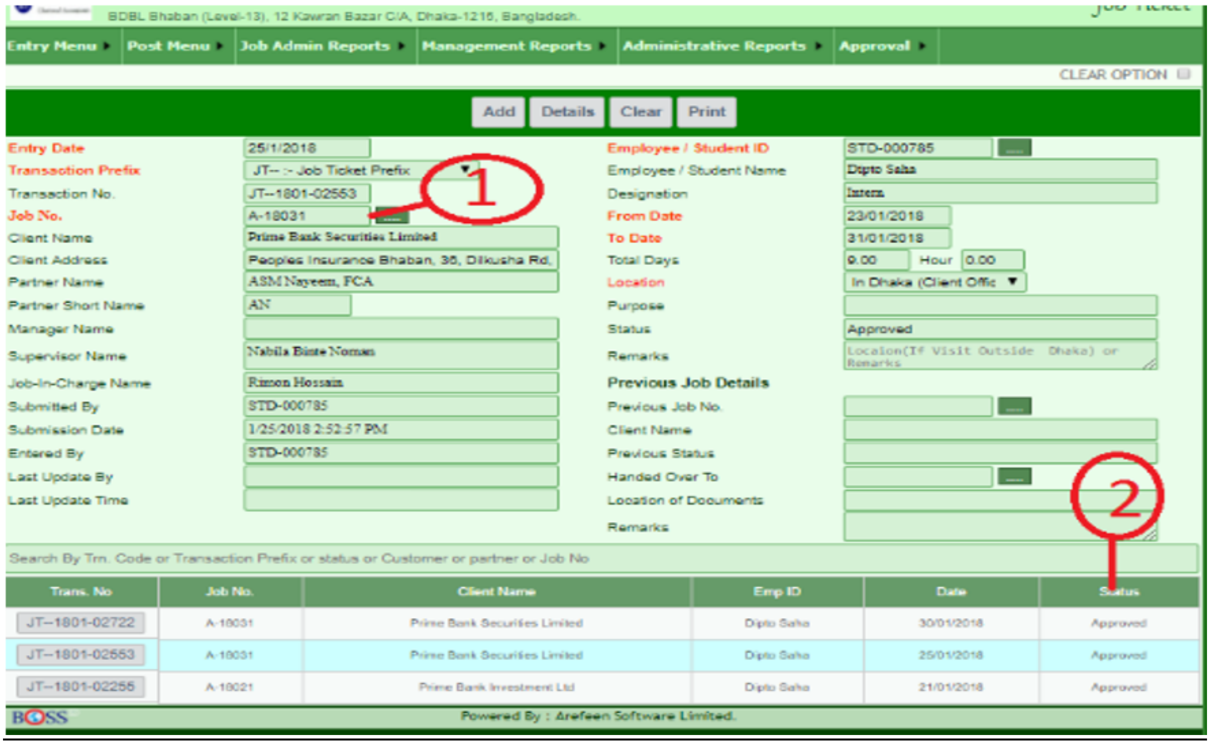

Figure 5: Job Ticket Entry tab of ACNABIN ERP

Here in the picture, we can easily find a job ticket number that is (A-18031).

If we entering the number of job ticket number, system will automatically generate:

- client name
- address
- partner name
- supervisor name
- job in charge name
- submission date and
- Other things and fill up respective information boxes.

After submission of job ticket, it needs to be approved by the authorized personnel of ACNABIN. The responsible authority approves the submitted job ticket request and give permission to work with client.

2.1.6 Time sheet entry

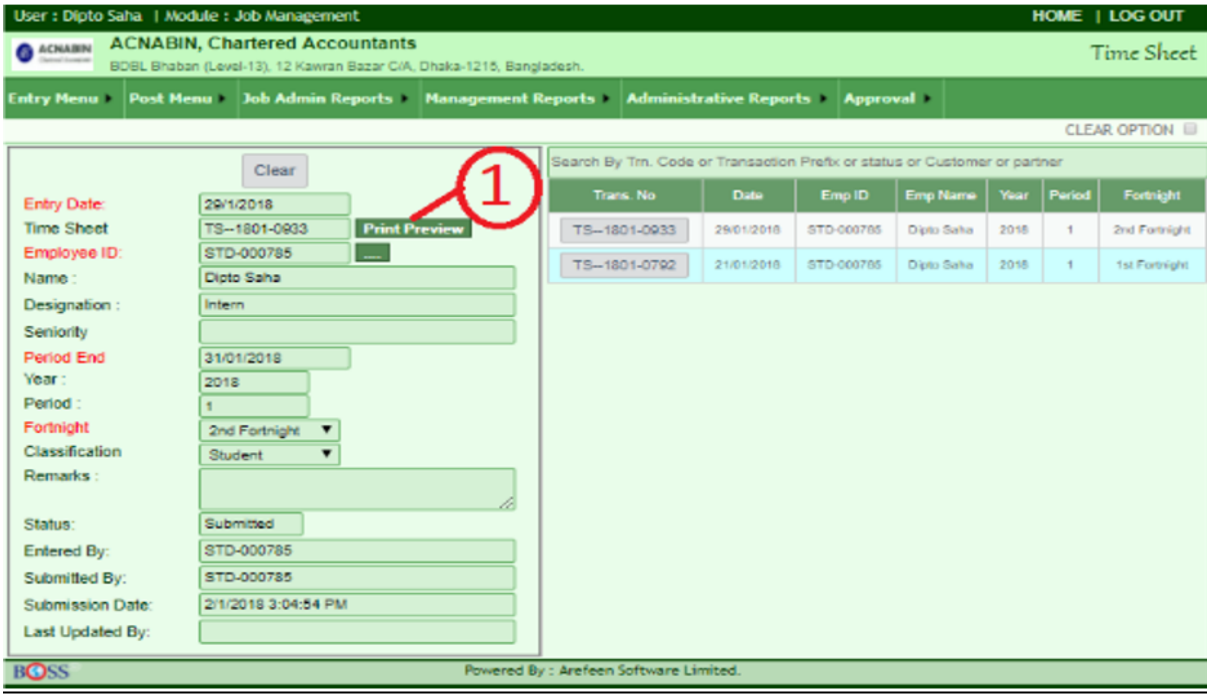

Figure 6; Time Sheet Entry tab of ACNABIN ERP

Students and employees need to update their time sheet information on daily basis as long as they continue their journey with the firm. By updating time sheet information, students and employees can give their attendance to the system.

- they can easily give their attendance to the system
- students and employees need to fix the date of their time sheet entry
- Give their ID number.

They system will automatically generate

- name and
- designation of the employee/student

Time sheets need to be submitted to the system fortnightly and higher authority will approve the time sheet. ERP of ACNABIN can generate instant report for a given time sheet by clicking on the print preview option.

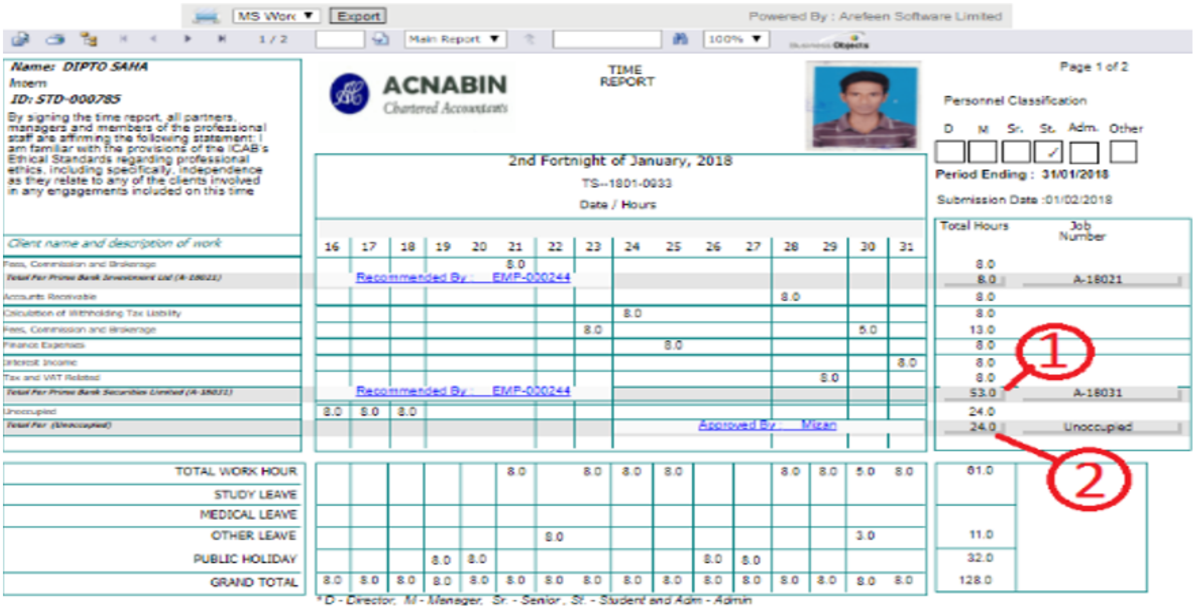

Figure 7: Time Sheet Entry print preview of ACNABIN ERP

This automated report card shows all the relevant information that one may need. The report is very much helpful for both employees and the administration.

2.1.7 Conveyance entry:

Conveyance entry is the system by which an employee or a student can claim conveyance allowance from the management through the system. ACNABIN pays transportation expenses of the employees and students who go to the client office for work in a pre-fixed amount based on different client locations. All the claimed conveyance needs to be submitted to the system which would need recommendation by the supervisor to proceed. We can use the preview option under Time Sheet to put the approved dates for claiming conveyance.

Figure 8: Conveyance Entry tab of ACNABIN ERP

Here in this report, all my conveyance entry details are shown. Comparing with the manual system, conveyance entry system has been very much facilitated with ERP system of ACNABIN. Previously, it was very hard for employees and students to enter their daily conveyance data.

ACNABIN
Chartered Accountants

CONVEYANCE DETAILS

Submit Date : 11/02/2018

Name of Claimant : Dipto Saha, Intern
Amount: (in figure): Tk. 320.00
Amount: (in word) : TAKA THREE HUNDRED TWENTY ONLY
Purpose : PBIL & PBSL Annual Audit

Conveyance Details of Dipto Saha For 2nd Fortnight of January, 2018

Job No	From	To	Transportation By	Ways	Amount	Remarks	Recommended By	Approved By	Payment Ref#
Prime Bank Investment Ltd [A-18021]									
Sunday, 21 January, 2018									
A-18021	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBIL Annual Audit			
		Total for Prime Bank Investment Ltd			40				
Prime Bank Securities Limited [A-18031]									
Tuesday, 23 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Wednesday, 24 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Thursday, 25 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Sunday, 28 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Monday, 29 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Tuesday, 30 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			
Wednesday, 31 January, 2018									
A-18031	Home Office	[illegible]	Bus & Rickshaw	Both	40	PBSL Annual Audit			

Figure 9: Conveyance Entry Details summary page

Previously, they required to do the following in order to claim conveyance:

- Go to the home office to enter conveyance related data for a fortnight.
- Secondly, they need to go to job supervisor in person for recommendation signature and then to the partners for approval of the conveyance allowance.
- Finally, they had to go to payroll department for getting the payment.

The entire process was very much time consuming and had chances of fraudulency. Now, employees and students can easily enter conveyance related entries from any distant place and get authorized personnel recommendation, approval and payments.

2.1.8 Leave application procedure

With this option of the system, employees and students can formally submit their leave application to the system and they do need to submit their application in hand written or printed format. An articled student can consume 60 days leave in a year. Other than students, 30 days leaves are allocated in a year. New joiners need to the contact the designated person and open allocated days section to apply for any leave. We have different types of leaves. However, under any condition taking leaves on Sunday and Thursday would require to seek Director's permission.

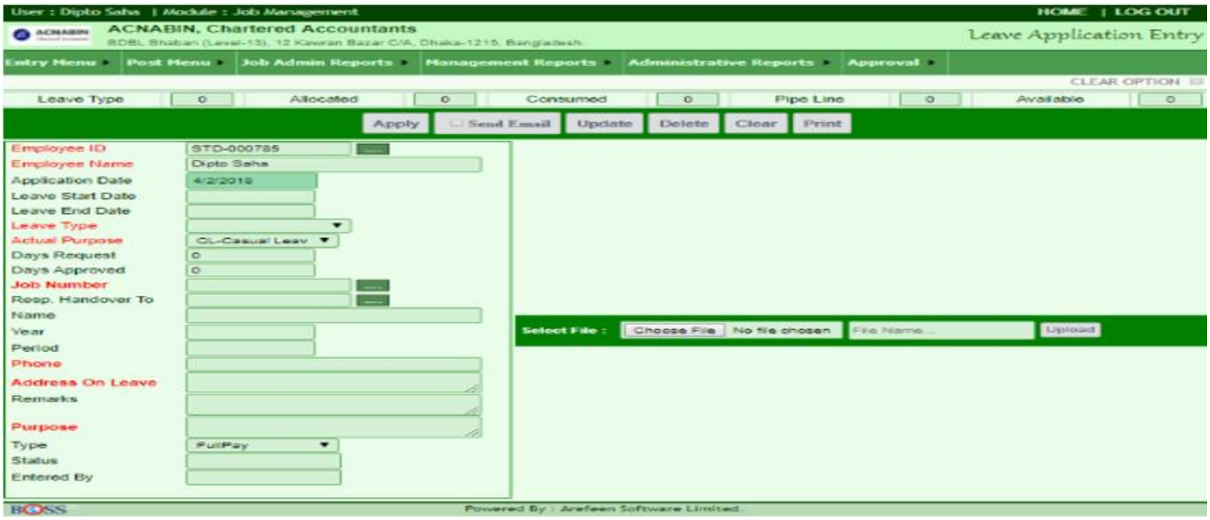

Figure 10: *Leave Application Entry tab of ACNABIN ERP*

There are 3 types of leave:

a) Casual/Medical leave
b) Study leave
c) Long term leave

a) Casual/Medical leave:

We have to initially inform the respective **team leader** and **supervisor** regarding our health issue. Then we need to drop a **group text** following a particular format mentioning the cause. Down below I have attached a leave request format of an articled student:

Figure 11: *Leave request format for Viber Group*

b) Study leave:

Students who are sitting for ICAB exam need to take a formal leave through the system. There are many other options in the job management dashboard. Firstly, one needs to apply for study leave through ERP. Then the designated person from ACNABIN will check its authenticity and if everything is alright then status will show open. Then that leave form needs to be printed, take sign from the Manager and submit this hard copy to our firm.

c) Long-term leave:

For any candidate or employee who has legit reason to take long term leave, he/she must take permission from their respective Engagement Partner, Director and Manager. Upon their permission, leave will be granted. Their reason must be strong enough to get approved. The applications must be sent through mail addressing to Director, keeping Partner Sir, Manager and Admin personnel in CC.

2.1.9 Recruitment and selection process

ACNABIN conduct their recruitment and selection process both internally and externally. The external method is mostly used for the recruitment of articled students. The firm collects CVs of the potential students through their own website, reception office, career fair, references etc. A three-step procedure is followed in this regard which initially involves screening test of the CVs, followed by a written test and viva of the selected candidates. In the written test, the candidates are examined in basic Accounting, Mathematics, English & Bengali. In the viva, the candidate has to sit for viva with a partner or director. The internal method is used mostly for the recruitment of their employees such as executive, senior executive, assistant manager, deputy manager & manager. In this regard, preference is given to the inhouse articled students i.e. an articled student who has recently completed or about to complete his/her articleship period of three years with the firm. An articled student who spent three years with the firm is likely to have more knowledge and experience about the firm as well as the clients. Hence the partners prefer to retain their articled students as full-time employees after the articleship period is over. For the internal recruitment process, the partner and directors only take viva of the potential candidate.

2.1.10 Allowances:

ACNABIN provides allowances to its articled students, trainees (probationary period) and interns. The firm provides allowances on the basis of its internal policy and mandatory allowance circular issued by the ICAB. The list of allowances is given below:

1. Dhaka University students get high priority allowances:

Allowance structure in ACNABIN, Chartered Accountants

Articled students from University of Dhaka will be entitled to following monthly allowances which will be increased as per ICAB's guidelines in 2nd and 3rd years:

CGPA / Benefits	CGPA 2.80 to 3.30	CGPA from 3.31 to 3.6	CGPA 3.61 and above
ICAB allowances	Tk. 4,000*	Tk. 4,000*	Tk. 4,000*
4-years Honors Graduate	Tk. 14,000	Tk. 17,000	Tk. 20,000
Masters (additional)	Tk. 1,000	Tk. 1,000	Tk. 1,000
	Tk. 19,000	**Tk. 22,000**	**Tk. 25,000**

For trainee and probationary period, students will get TK. 8,000 irrespective of CGPA during the trainee and probationary period, if required. For internship period, students will get TK. 5,000 irrespective of CGPA.

Figure 12: *Dhaka University Students Allowance*

2. Private University student allowances:

Allowances structure in ACNABIN, Chartered Accountants

Articled students from the abovementioned selected Private Universities will be entitled to following monthly allowances which will be increased as per ICAB's guidelines in 2nd and 3rd years:

Benefits / CGPA	CGPA 3.00 to 3.30	CGPA from 3.31 to 3.6	CGPA 3.61 and above
ICAB allowances	Tk. 4,000*	Tk. 4,000*	Tk. 4,000*
4-years Honors Graduate	Tk. 4,000	Tk. 7,000	Tk. 9,000
	Tk. 8,000	**Tk. 11,000**	**Tk. 13,000**

For trainee and probationary period, students will get TK. 4,000 irrespective of CGPA during the trainee and probationary period, if required. For internship period, students will get TK. 3,000 irrespective of CGPA.

Figure 13: *Private University Students Allowance*

3. Other category student allowances:

Allowances structure in ACNABIN, Chartered Accountants

Articled students under this category will be entitled to following monthly allowances which will be increased as per ICAB's guidelines in 2nd and 3rd years:

Benefits / CGPA	CGPA 3.00 to 3.30	CGPA from 3.31 to 3.6	CGPA 3.61 and above
ICAB allowances	Tk. 4,000*	Tk. 4,000*	Tk. 4,000*
4-years Honors Graduate	Tk. 4,000	Tk. 7,000	Tk. 9,000
Masters (additional)	Tk.1,000	Tk.1,000	Tk. 1,000
	Tk. 9,000	**Tk. 12,000**	**Tk. 14,000**

For trainee and probationary period, students will get TK. 4,000 irrespective of CGPA during the trainee and probationary period, if required. For internship period, students will get TK. 3,000 irrespective of CGPA.

Figure 14: *Other category students' allowance*

4. ICAB allowance circular:

CA BANGLADESH | THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BANGLADESH

ICAB A JOURNEY OF EXCELLENCE 50 YEARS

An autonomous body under Ministry of Commerce established under the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973).

1/1/ICAB (ASC)-2023 **17 August 2023**

CIRCULAR

Articled Student's Allowance and Increment

In supersession of all previous circulars/instructions issued in this regard, to attract and motivate the brilliant and meritorious students in CA education and also considering the dearth of students, the Council-ICAB in its 736th Meeting (11th meeting for the year 2023) of the Council-ICAB held on 13th August 2023 decided to enhance Articled Students' Allowance and increment. Furthermore, such enhancement of allowance and increments are also essential to turn the articled students more committed to pursuing the study of Chartered Accountancy. This motivational and promotional move aims to create a more conducive environment for students to excel in their professional journey and contribute meaningfully to audit activities. The new enhanced allowance for the articled students is stated below:

a. Enhancement of Students' monthly allowance:

Year	New Allowance (Tk.)
1st Year	7,000
2nd Year	8,000
3rd Year	9,000
4th Year	10,000

However, to encourage brilliant and meritorious students, CA firms may consider to pay a separate additional amount of allowance apart from the above-mentioned new allowance to students.

b. Increment to the Articled Students:

i. An Articled Student passing his/her Certificate Level is to receive a yearly increment of Tk. 3,000 from the respective CA Firm.

ii. An Articled Student passing his/her Professional Level is to receive a yearly increment of Tk. 5,000 From the respective CA Firm.

c. It is mandatory to pay the Articled Students allowances through bank account.

d. The entitlement to training Articled Students may be cancelled if the concerned Principal/Partner fails to pay the allowances as prescribed above consecutively for 3 (three) months.

The above decisions will come into effect from **1st September 2023.**

17.08.2023

Shubhashish Bose
Chief Executive Officer (CEO)

ALL MEMBERS AND ALL FIRMS OF THE INSTITUTE

CA Bhaban, 100 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh
880 2 9113340, 9612612100, 9117521, 9137847 (Off.) 880 2 9125266
ceo@icab.org.bd facebook.com/ca.bangladesh www.icab.org.bd

Figure 15: *ICAB allowance circular*

2.1.11 Vision

We go beyond the traditional auditor and client relationship by becoming your trusted Business Advisor. (ACNABIN, n.d.)

2.1.12 Mission

We maintain the strictest standards for client security. It is essential for the preservation of trust as well as the proprietary information's delicate and competitive nature. Our success has been based on such core principles. We work hard to earn and keep clients' trust.

2.1.13 Strategic Intent

The purpose of ACNABIN Chartered Accountants is to establish itself as a company that maintains the apex standards of quality and professionalism. We trust there is still room for us to increase our attachment to the country and the region while maintaining a genuine and well-respected position in the markets for telecommunications, financial institutions, non-profit organizations (NGOs), liaison offices, and international branches

2.2 Client Introduction (Walton Hi-Tech Industries PLC)

2.2.1 Historical Background of WHIPLC

Walton was established in 1977, and in early 2008, WHIPLC embarked on the manufacturing of Refrigerators, Freezers, Air Conditioners and Compressors (Waltonhil.com, 2023). Moving forward, it is expanding its operations to encompass Televisions, Homes and Electrical Appliances. Walton and Marcel have emerged as the most reputable and esteemed brands in the Electrical and Electronics (E&E) industry in Bangladesh. This success can be attributed to their robust manufacturing infrastructure, high-quality products, competitive pricing, extensive market presence, and responsive after-sales services. Consequently, within a remarkably short span, both brands have secured a significant market share, positioning themselves as dominant players within the E&E sector in Bangladesh. WHIPLC's product portfolio encompasses Refrigerators (Frost & Non-Frost), Freezers, Air Conditioners, Compressors and Televisions. (WALTON, n.d.)

Figure 16: *Historical background of Walton*

2.2.2 Company overview (WHIPLC)

Walton is the latest multinational electrical, electronics, automobiles and other appliances brand with one of the largest well-equipped R&I facilities in the world carried out its production through different subsidiaries under the banner of Walton group headquarters in Bangladesh. Today, Walton has a workforce of more than 30000 plus in total 22 production bases under 700 plus acres of factory area. The capacity of yearly production is 10 million units based on the market demands. Walton is the giant professional manufacturer in the relevant industry and has gained high reputation in terms of its unbeatable capability for producing Electrical and Electronics goods in the most competitive way in aspect of quality, cost, design and innovation. The Manufacturing Plant & Headquarters of WHIPLC is located at Chandra, Kaliakoir, Gazipur, Bangladesh. The plant is treated as one of the sophisticated manufacturing plants in Bangladesh as well as in South Asia. Walton innovates to build a more advanced, sustainable and environment friendly society through the combination of sophisticated technologies and expertise. The manufacturing plant of WHIPLC is approx. 5,000,000 square feet of working space consisting of 19 Buildings and Shades. Walton has been maintaining 100% compliances since its inception and certified ISO 14001:2004 Refrigerators & Air Conditioner Division, ISO 9001:2015 Refrigerators & Air Conditioner Division and OHSAS 18001:2007 Certificate for successfully adopting sound occupational health and safety management systems, efficient staff management, minimizing the risk of accidents and achieving adequate corporate reputation ensuring the standard of products and combining the above to minimize the production cost. Walton is the No. 1 Manufacturer and Exporter of Refrigerator, Air Conditioner, LED TV, Mobile Phone, Walton has achieved many international & national awards and recognitions. Some recent prestigious and best business awards are: The Golden Globe Tiger Award 2015 in the category of Excellence & Leadership Brand, DHL-Daily Star Bangladesh 15th Business Award 2014 for Best Enterprise in Bangladesh, Asia Best Employer Brand Awards in 2015, Six times 1st Prize for Highest VAT Payer at DITF-2015, 2014, 2013, 2012, 2011 & 2010 respectively, Second Prize for Premier Pavilion Category at DITF-2015, Best Refrigerator Brand Award-2014, Best Television Brand Award-2014, Best Local Brand Award-2014, 1st Prize for Premier Pavilion Category at DITF-2014, The Global Brand excellence Award in 2014 for brand excellence in consumer electronics, 1st Prize for Premier Pavilion Category at DITF-2013, Best Sponsor Award-2012, Creative Media Ltd. BABISAS Award-2012, Best Brand (Refrigerator) Award-2011, 2nd Prize for Premier Pavilion Category at DITF-2011, 2nd Prize for Premier Pavilion Category at DITF-2010, 1st Prize for Premier Pavilion Category at DITF-2009, 1st Prize for Premier Pavilion Category at CITF-2005.

2.2.3 Organizational Structure (WHIPLC)

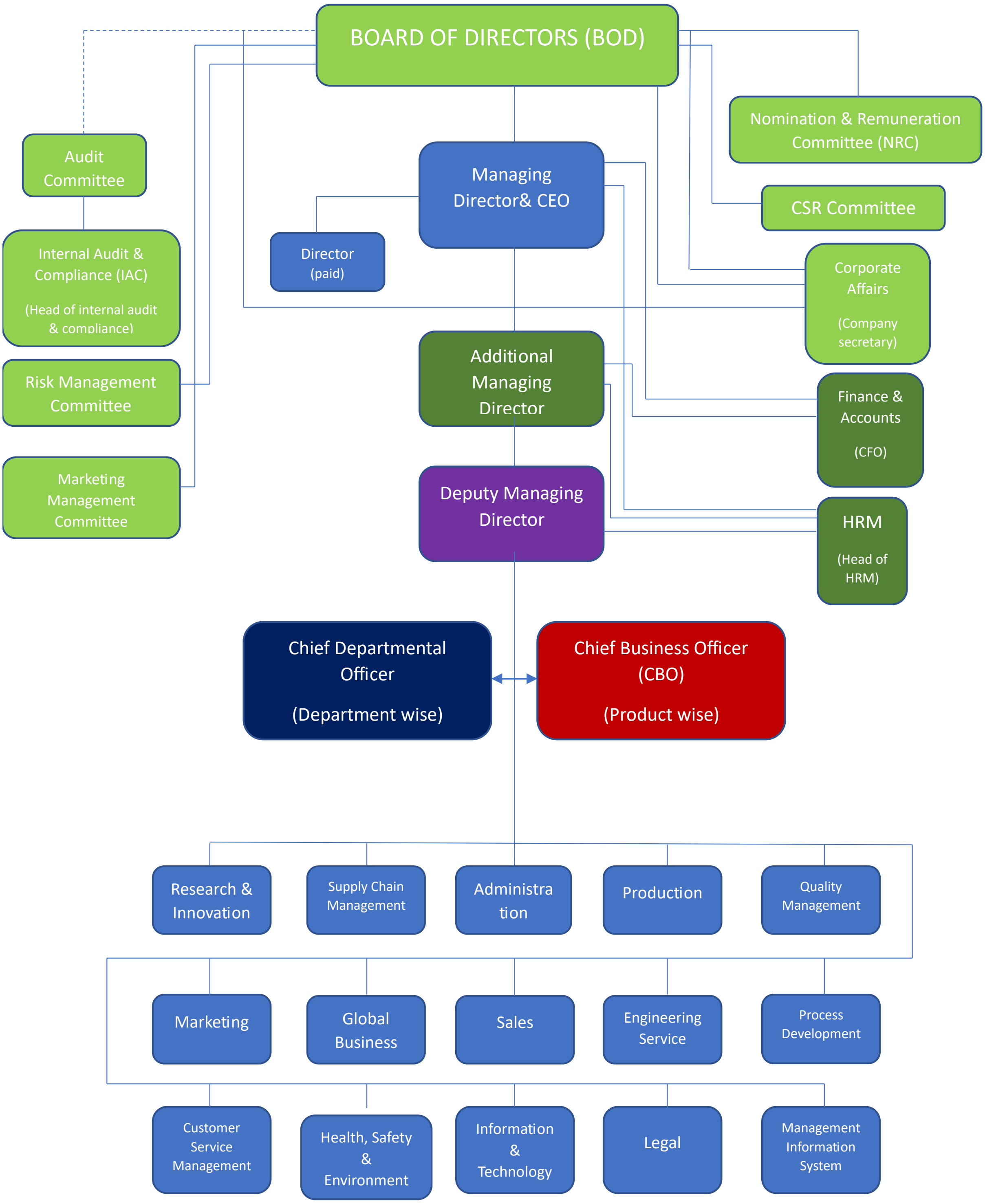

Figure 17: Organizational Structure of WHIPLC

2.2.4 Product List (WHIPLC)

Figure 18: *Product List of Walton*

The product list is given below:

- Fridge
- Television
- Air Conditioner
- Electrical Appliances
- Home Appliances
- Kitchen Appliances
- Cables
- Lift
- Compressor

2.2.5 Vision (WHIPLC)

Along the way, Walton has earned domestic and global recognition for its experience and proven track record in a variety of electronics fields. Walton is the pioneer of developing state of the art designs and modern technology having leading market share specializing in Multi-Stored Refrigerators, Freezers, Air Conditioners, LED/ LCD televisions, Motorcycles, Smart Phones and Home Appliances. Walton is working on carrying the flag of red and green into the global market presence from the present 40 countries to more than 200 countries to dominate Go Global and the top five Electronics Brand of the Globe within 2030.

2.2.6 Mission (WHIPLC)

Responding to the ever-changing customer and market demands through responsible innovative brilliance and recognized quality standards.

2.2.7 Corporate culture (WHIPLC)

- Respect your teammates
- Never be another grapevine, work for progress, be positive.
- Be creative and intuitive, own what you do in full.
- Be socially responsible.
- Empathy and maturity go hand in hand.

2.2.8 Values (WHIPLC)

- Consumers are priority one
- Competent innovative brilliance
- Dynamic quality and compliance standards
- Demand facing predictive market presence
- Our people, our family

Chapter 3
Project Part
3.1 Introduction

The main purpose of this project is to evaluate the internal audit procedure at Walton Hi-Tech Industries PLC. During the course of my internship, I got to learn the entire process of internal audit by being actively involved as part of the team assigned to perform the monthly internal audit task at Walton. Internal audit is mandatory for all the listed companies in Bangladesh according to the Companies Act 1994. In order to operate as a public limited company, the company needs to comply with all the rules and regulations set by Bangladesh Securities and Exchange Commission (BSEC). Hence, the internal audit team is very crucial to help the company operate in compliance with the rules and regulations set by BSEC. Annual statutory audit is also mandatory for public limited companies. External Audit is conducted by a separate CA firm at Walton. However, in order to face the external audit team during year ending, the company should prepare its Income Statement and Statement of Financial Position in accordance with the internationally recognized accounting standards such as IAS, IFRS, GAAP etc. Thus, internal audit team also helps in preparation of the Income Statement and Statement of Financial Position which will be later published for the general public in the form of Annual Report. Apart from this, the internal audit team plays a key role in ensuring that the company follows the internal SOPs, Policies & Notices.

3.2 Background/Literature Review

Auditing is the process by which a competent, independent person accumulates and evaluates evidence about quantifiable information related to a specific economic entity for the purpose of determining and reporting on the degree of correspondence between the quantifiable information and established criteria (Arens & Loebbecke, 1998). In order to ensure proper utilization of available resources, combat fraud and implement control, internal audit plays a key role (Badara & Saidin, 2014). The failure in an organization may often arise from the lack of internal audit practices (Alzeban & Gwilliam, 2014). Due to the critical roles played by an internal auditor in the failure & success of a company, internal audit has become a very interesting topic over the years for scholars & researchers. He also stated that most organizations establish internal audit department with the idea of receiving a positive outcome from its services. International Standards for Professional Practice of Internal Auditing (ISPPIA) is the most commonly used framework for measurement of internal audit effectiveness (Al-Twaijry, Brierley, & Gwilliam, 2003). However, other researchers established their own criteria for the measurement of the effectiveness of internal control (Mihret & Yismaw, 2007). In order to mitigate the lack of theoretical framework regarding internal audit (Hanefah & Endaya, 2013) suggested that the agency theory, institutional theory and communication theory could serve as alternative to build a theoretical framework. An investigation was carried out on 15 selected public sector offices of Ethiopia to determine the effectiveness of internal audit. The management and staffs were the primary source of data through questionnaires. The study showed that the management perception, management support and the presence of approved internal audit charter is fundamental to the effectiveness of internal audit (Hailemariam, 2014). A study was conducted on Malaysian public sector to identify the factors that determine the effectiveness of internal audit through ensuring transparency and integrity. The study showed that there was significant positive relationship between factors such as auditors' competency, auditors' independence and management support to the effectiveness of internal audit (Baharud-din, Shokiyah, & Ibrahim, 2014).

3.3 Objective

The core reason behind the internal audit was to provide an accurate assessment of the operational effectiveness of Internal policies and compliance and identify any weaknesses in the internal control system. We checked compliance with the job responsibilities assigned to the employees within the section. We thoroughly examined the documents regarding internal policies and compliance and our audit focused on identifying any mismatch or errors within the policy and documents. We provided our findings and recommendations to the related section and the management, which included specific suggestions to address identified weaknesses and enhance the efficiency and effectiveness of the section. Some key objectives are listed below:

- Studying the previous audit reports on the Internal Audit Procedures of Walton PLC;
- Studying the SOPS and policies of the Internal Audit Procedures of Walton;
- Understanding the whole process of working of the Department by meeting with the concerned person of the Department;
- Assessing the adequacy and effectiveness of the Department's internal controls;
- Analyzing the findings from the audit tests and drawing conclusions about the department's operations;
- Preparing a report of the audit findings, conclusions, and recommendations, and communicating these to management and other stakeholders; and
- Monitoring the implementation of recommendations and assessing the effectiveness of any corrective actions taken.

3.4 Significance

Internal audits play a major role in ensuring the horizontal functioning and overall health of an entity. Here's a breakdown of their significance:

Risk Management and Safeguards

Internal audits recognize and assess potential risks that a corporation faces. This proactive method helps in implementing effective mitigation strategies to safeguard assets and prevent fraud.

Ensuring Compliance

Internal audits confirm adherence to regulations, laws, & internal policies. This helps evade legal or financial consequences & fosters a culture of ethical conduct.

Improved Efficiency and Effectiveness

By assessing processes, internal audits can identify areas for improvement. This can lead us to streamlined operations, reduced costs, and better overall performance.

Reliable Information for Management

Internal audits provide objective and unbiased assessments of various departments and processes. This empowers management to make informed decisions based on accurate data.

Transparency and Accountability

A strong internal audit function fosters transparency within an organization. It assures stakeholders that the company is adhering to best practices and managing its resources responsibly.

3.5 Methodology

I used both primary and secondary sources of data for the preparation of this report. The sources of data are given below:

Primary Sources

The information collected through primary resources are described below:

- Observation notes taken throughout the audit period;
- Discussion with responsible personnel (In-charges and Managers) from the client's perspective;
- Conversations with the seniors and colleagues of ACNABIN Chartered Accountants; and
- On-job experience through active participation.

Secondary Sources

The information collected through secondary sources are provided below:

- Collecting information from the client's annual report of the past years;
- Checking ACNABIN Chartered Accountants Audit Policies regarding rules and regulations;
- Reviewing the Walton PLC's auding policy;
- Gathering relevant information from the website of Walton PLC;
- Gathering relevant information from the website of ACNABIN; and
- Studying papers published on Audit by ACNABIN Chartered Accountants.

3.6 Internal Audit Procedure at WHIPLC

3.6.1 Getting an audit request

According to the BSEC notification regarding Corporate Governance Code-2018 (No: BSEC/CMRRCD/2006-158/207/Admin/80, Published on: 03 June 2018), in order to ensure effective governance within the public limited companies, the Board should establish at least the following sub-committees:

i. Audit Committee; and
ii. Nomination and Remuneration Committee.

3.6.2 Audit committee

- The Audit Committee's role is to support the Board verify the accuracy and fairness of the company's financial statements;
- Establish effective monitoring mechanisms within the organization;
- The Audit Committee must consist of a minimum of 3 (three) members;
- Members should be appointed by the Board and should primarily be non-executive directors of the company with the exception of the Board's Chairperson;
- The committee must include at least 1 (one) independent director.
- All members of the audit committee are required to possess financial literacy, and at least 1 (one) member should have a background in accounting or related financial management, backed by a minimum of 10 (ten) years of experience in such fields;
- The Audit Committee shall report on its activities to the Board;
- The Audit Committee is required to hold a minimum of four meetings within each financial year;
- Audit Committee should have a quorum consisting of either two members or two-thirds of the total members of the Audit Committee, whichever is greater;
- Presence of an independent director is obligatory for the meeting to be deemed valid.

3.6.3 Structure of Internal Audit Team/Department at WHIPLC

This Audit committee is set by BSEC code and must comply accordingly. Walton Audit committee sets an ***audit calendar*** and must approve it to be segregated among the audit teams and their respective team members to be carried out effectively and efficiently.

Audit Calendar

The audit calendar is generated from the first meeting of the audit committee. This audit work is divided among three organizations: Walton Internal Audit, ACNABIN Chartered Accountants, and other audit teams. This audit work must be completed within the current financial year. (Placeholder1)

Special Audit

Other than the heads derived from the audit calendar, there are other audits we perform in specific areas upon special requests from our Engagement Partner and Managements.

Walton audit committee comprises of:

1. ACNABIN Audit Team;
2. Walton's Internal Audit Team; and
3. Other Audit Team.

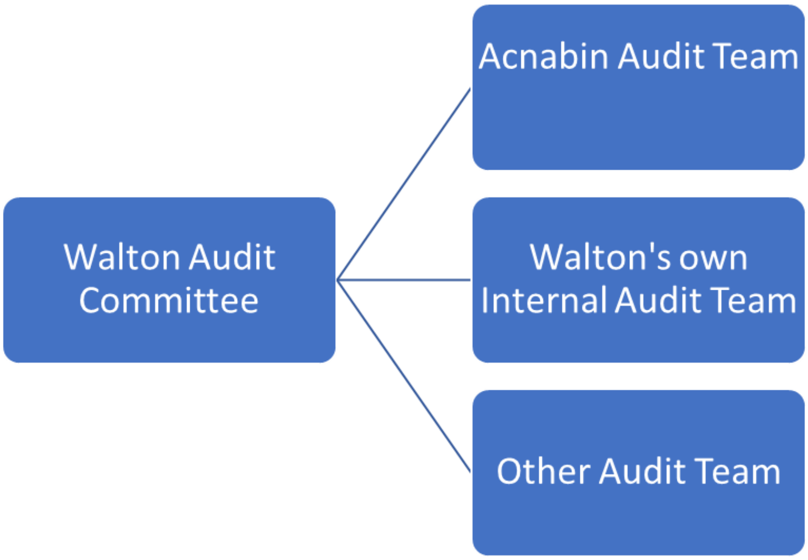

Figure 19: *Pictorial structure of Audit committee of Walton*

3.6.4 Audit initiation mail to auditee along with requisition list

Upon getting assigned to the audit of a particular audit area, we need to start by sending an audit initiation mail to the concerned personnel (auditee) of the department or section. In order to do that, we need to first identify the concerned personnel of the department or section (usually, in-charge). The concerned personnel can be identified using the Human Resource Management System (HRMS) portal in E-Business Services (EBS) ERP which helps to provide detailed information of Walton's recruited employees. We can simply enter the link to HRMS in EBS and type the name of the specified department or section to access all the information about the allocated manpower.

Upon identifying the concerned personnel, we need to attach an initial requisition list along with the audit initiation mail. The contents of the initial requisition list may include active policies, notices, Standard Operating Procedure (SOP), updated Job Description (JD), organogram, authority matrix, processes, monthly audit reports submitted to the management (As per circular given)—Ref, Date, subject of circular (pdf attach). Note that it is not the final requisition, we may send more requisition whenever necessary.

3.6.5 Understanding the Audit Area and preparation of Audit Plan

An audit plan provides greater detail than a strategy, outlining the specific nature, timing, and scope of audit procedures, including risk assessment procedures. This is done to gather adequate and relevant audit evidence by the engagement team. Planning can be done in the following procedures:

a. Analysis of Job Descriptions of the key personnel:

After accessing into the HRMS system we can get relevant information related to the assigned manpower. We can identify the assigned Job descriptions for which the employee has been employed. To find out the JD of any key personnel, whether contractual or full-time employee, we need to use their ID or phone number or name. We can analyze whether the personnel is fit for the role defined in their JD, including their qualifications, expertise, skills, competencies matches with their position they are hired. Analyzing these factors, we can assess our audit scope based on which audit objectives can be identified.

b. Review of previous audit files, reports and experiences:

Understanding the previous audit reports and scopes can give a clear picture of how to conduct a similar audit, providing assistance from an experienced audit team. We can identify which are solved and which are yet to be solved. We need to mention in case if the previous audit reports are not found.

c. Collection of best practices, policies, SOPs and notices:

In order to plan our audit head, we need to find important documents including policies, SOPs and notices (from system-digital Notice Board using internet, best practices of the relevant industry).

d. Summarize the collected documents and prepare checklists:

Many information or documentations cannot be found from internet, system or notice board. We need to provide requisition through which we can get the missing documents and rework on the summary after getting the documents through requisition. Compare industry best practice and Walton's own policies.

e. Risk Assessment & preparation of checklist:

For assessing risk, we refer to ISA 315; access whether there is a need to do control test, analytical review (ISA 520), variance analysis to identify the gap between expectation and actual values; cost benefit analysis, check on credit worthiness, compliance checks, internal control checks, identifying financial reporting risks, accessing fraud risks and others based on which we prepare checklists and send them to the respective department. Documenting in the below given audit plan format.

f. Preparing detailed audit plan:

We have to fix our objectives to perform audits and set our own timeline in order to accomplish the audit goals in due time. The time allocated must be realistic for all the team members. This may include reviewing by Manager/Director/Partner if necessary. However, this plan must be flexible and subject to change

g. Sitting with team and brainstorming with the detailed plan

Sometimes we get bigger and better picture sharing or discussing the plan among our team members, where we can brainstorm and add or deduct points to make the audit even more realistic and fruitful.

3.6.6 Download related reports

Apart from sending out an initial requisition list to the auditee, the auditor also downloads related reports from the EBS and Oracle software for data analysis. In this regard, the auditor is given unlimited access to the EBS and Oracle software for report previewing and downloading. The detailed reports as well as individual vouchers and ledgers are found in the Oracle software which is the most renowned company worldwide in this field. The EBS reports contain a more summarized reports for management and external users. Some of the most commonly downloaded reports are listed below:

- Program-Publish FSG Report (financial statements)
- WG customer ledger accounts (customer ledgers)
- AR details report (accounts receivable)
- AP details report (accounts payable)
- Stock valuation report (inventory)

- Extract GL (general ledgers)
- Extract TB (trial balance)
- Net sales report (sales)
- Payment voucher
- Receipt voucher
- Journals

3.6.7 Data Analysis:

Upon receiving the documents against initial requisition from the auditee and downloading all the necessary reports from the EBS and Oracle software, we begin the data analysis procedure. One of the most commonly used data analysis technique is cross matching such as matching sales forecast against actual sales, production plan against actual production, production plan against material requisition plan, budgeted expense against actual expense, duplicate invoices and payments, PO order against purchase, vouchers against assertions etc. This process is very effective to evaluate the accuracy & functionality of a data set, ensure alignment and identify any potential discrepancies or issues. We usually conduct this type of analysis through using different functions in Microsoft Excel such as VLOOKUP, Pivot Table, filters etc. We also use the sampling method while dealing with a large number of data set where the application of 100 percent examination may not possible. However, 100 percent examination may be appropriate for certain substantive procedures, for example, if the population is made up of a small number of high-value items and there is a high risk of material misstatement then 100 percent examination may be appropriate. We often analyze data through a sampling approach which involves studying a chosen part of the gathered data systematically, in order to make a reliable conclusion about the entire data set. This method allows us to uncover insights, and evaluate data quality effectively. This form of data analysis is most commonly used for checking vouchers against assertions. In order to validate the claims presented in financial statements, the inspection of supporting documents (vouchers) for transactions is essential. The sampling method ensures that the transactions are accurately recorded, adequately authorized, comprehensive, legitimate, and correctly categorized.

3.6.8 Field Visit (meeting with Auditee)

Upon completion of the entire data analytical procedure, we prepare a questionnaire based on our findings to discuss with the auditee during our field visit. Since, the Production Management (PM), Quality Management (QM), Research & Innovation (R&I) and Process Development (PD) departments' offices are located in the factory situated in Chandra, Gazipur, we consider it as a field visit. In order to conduct a physical meeting with the auditee, we need to formally approach the auditee by sending an initial meeting request mail. We may have a phone conversation with the auditee to know of his/her available time, before mailing the meeting through mail. We need to also share the meeting agenda with the auditee prior to the meeting which is included in the mail. A comprehensive meeting agenda outlines the topics, objectives, and key discussion points for the upcoming audit meeting. Finally, we need to send a separate mail to the Deputy Head of Internal Audit and Compliance Department (IACD) to request accommodation, food and transportation facilities during our stay at the factory.

3.6.9 Walkthrough Test

We generally conduct the walkthrough test during our field visit as most of the operational activities are based in the factory since it is a manufacturing company. Auditor goes there and overview all the process for example working process of a department or section. Cross match existing policy against the organization's practice regarding various things like order processing, credit approval, delivery of goods, recording the sales, allowance for sales return etc. Moreover, checking segregation of duties and data consistency is two most important part of this walk-through test.

3.6.10 Meeting Minutes

Meeting minutes are a written record of discussions, decisions, actions and important points made during a meeting. Key elements to be included would be: date, time, location, attendees, designation, agenda of the meeting, key point of discussion, unsolved issues or matters to resolve. Meeting minutes ensures productive decisions are well-documented and responsibilities are clear thus contributing to the overall efficiency and effectiveness of the organization by drawing clear picture of the meeting. We can ensure that the meeting minutes would reflect as it is discussions and decisions during the audit meeting and that the auditee has the opportunity to review and give feedback upon validation. Effective communication and collaboration in this process can contribute transparency and accountability in the audit process. Upon completion of every formal meeting, we have to send out meeting minutes to the auditee.

3.6.11 Exit Meeting

At the final stage of our field visit we need to conduct an exit meeting with the auditee. The main agenda of this meeting is to discuss with the auditee regarding our findings and probable Scope of Developments (SODs). The auditee may or may not agree with our observations, based on the outcome of this meeting we will start to write our SODs upon returning to the corporate office. The minutes of this meeting will also be shared with the auditee through mail. In short, the exit meeting is the formal way to complete our audit procedure during field visit.

3.6.12 Preparation of Annexures

Upon returning to the corporate office, we need to list our findings, organize them and represent them in a comprehensive manner with sufficient evidence. This part of data preparation is known as preparation of annexures. Each individual SOD must include an annexure as a supporting document. Annexures are mostly prepared in Excel Sheet upon data analysis; however, some annexures may include downloaded reports, screenshots, pictures or even meeting minutes.

3.6.13 Preparation of draft Scope of Developments (SODs)

After figuring out all the probable SODS and preparing annexures to support our findings, we rank the SODs according to its importance or impact on the company. We categorize the SODs in three categories i.e. High, Medium & Low in descending order. SODs with financial impact or non-compliance with policy are usually ranked high. Then, we start our draft SOD write-up according to a predefined format. The format includes, a SOD number at the beginning which represents the serial number, followed by the heading and category. Then comes the “Fact” which includes a short summary of our finding, its basis, any related policy etc. It may also include an instance which may be taken as a sample from the annexure. In the next part, we include risk and implications related to the SOD and finally we provide our recommendation. There is a separate page in the SOD format for management response, action plan and time line required to solve the SOD, to be filled by the auditee which will be discussed later in this chapter. A sample of the SOD format is shared below:

Scope of Development -01

Rating:

Fact:

for details, please refer to **Annexure-01**

Risk & Implications:

Recommendation:

Figure 20: *SOD Format*

3.6.14 Management Response, Action Plan & Timeline:

Upon completion of the draft SODs write-up, we need to mail the draft audit report to the auditee for their input in the form of management response, action plan & timeline. Firstly, the management response includes the response from the auditee regarding the SOD shared by the auditor. The auditee may or may not chose to agree with the SOD. In the Action Plan part, the auditee shares the steps or action required to solve the issue related to the SOD. Finally, in the Timeline part, the auditee needs to mention a probable deadline by which he expects to solve the SOD. There is a predefined box included in the SOD format for each individual SOD to provide the input by the auditee. We write a mail to the auditee mentioning the deadline to send his response and attach the draft audit report. We will follow-up on each individual SOD after 2 months of submission of the final report according to the practice of the firm to check the current status. This part, will be discussed later in this chapter. A sample of the box for management response, action plan & timeline is shared below:

<table>
<tr><th colspan="3">Response from the Auditee</th></tr>
<tr><td rowspan="2"><u>Management Response:</u></td><td><u>Action Plan:</u></td><td rowspan="2"><u>1st Responsibility:</u>
Name:
Emp ID:
Cell:

<u>2nd Responsibility:</u>
Name:
Emp ID:
Cell:</td></tr>
<tr><td><u>Timeline:</u></td></tr>
</table>

Figure 21: *Management response collection format*

3.6.15 Review of the report:

After sending the draft audit report to the auditee for management response, action plan & timeline, we get a two to three days interval before the auditee sends back his response. During this time, we sit with our director, who is a qualified Fellow Chartered Accountant (FCA) for his valuable review and insight. We make the necessary changes or corrections according to his instructions to prepare the final draft audit report. This is a very important opportunity for the intern since the FCAs are very experienced professionals and there is a huge learning scope for them.

3.6.16 Collect follow-up of previous month's SODs:

As mentioned in 3.3.18, we need to collect the follow-up status of the audit report submitted 2 months back on a different audit area from the corresponding auditee. The Follow-up Status EXCEL file is also submitted to the related authority during final report submission. This is done to provide the higher management with an update regarding our previous months SODS. For this, we also send a mail to the concerned auditee to provide the follow-up status within a given deadline. The auditee can share his/her response in three categories i.e. Solved, Partially Solved & Yet to be Solved. If it is solved, then the auditee must provide evidence to validate the information. If it is partially solved or yet to be solved, then the auditee must share the reason for the status.

3.6.17 Finalization of the report:

In this part, we finalize the report to submit to the relevant authority. The final report includes 6 files which is listed below:

1. Word file of the report;
2. PDF file of the report;
3. Power-point file of the report;
4. Bangla Summary of the report;
5. Follow-up Status Excel file; and
6. Zip file containing all the Annexures.

The final report must be correctly numbered and thoroughly checked before sending to the Supervisor of ACNABIN for submission to the relevant authority.

3.6.18 Submission of report to relevant authority:

The distribution of the final internal audit report to relevant authorities includes sending the report to higher management, the audit committee, and process owners. This task should be conducted through our official domain outlook account by the supervisor or manager. Overall, this process promotes transparency, accountability, and the implementation of necessary improvements based on audit findings. After the final internal audit report mail is sent to the related authority, we need to preserve a copy of the mail along with all 6 attachments mentioned in 3.3.21 in the audit preservation hard drive for future reference. The task or responsibility of the intern ends here.

3.7 Findings and Analysis

Findings

1. I found valuable experience in the internal audit process, from identifying potential areas of concern (Scope of Developments - SODs) to finalizing the report for submission.
2. I learned how to categorize SODs based on their impact (High, Medium, Low) and document them in a predefined format. This format included the fact of the finding, its basis, risks and implications, and recommendations.

3. I gained insight into how the auditee responds to the identified SODs, including providing a management response, action plan, and timeline for addressing the issue.
4. I have witnessed the review process where your draft report was evaluated by a qualified professional (FCA) for accuracy and improvement.
5. We learned how to follow-up on previous audits to assess the progress made on implementing corrective actions.

Analysis

1. This experience equipped me with a practical understanding of how internal audits contribute to an administration's well-being.
2. I also learned to identify and analyze potential risks associated with non-compliance or inefficient processes.
3. I developed write-up & communication skills by writing clear and concise findings in the SOD format and potentially interacting with the auditee for follow-up.
4. I gained exposure to professional review and feedback, a crucial aspect of continuous learning and improvement.
5. I enhanced the organizational skills by managing various report components and deadlines.

3.8 Conclusion:

The internal audit procedure outlined for Walton Hi-tech Industries PLC demonstrates a meticulous and structured approach to ensuring effective governance and transparent financial reporting. Adhering to the Corporate Governance Code-2018, the procedure places significant emphasis on the pivotal role of the Audit Committee in upholding integrity of a public limited company which is subjected to report to its shareholders annually. With a detailed methodology encompassing initial requisition, data analysis, rigorous cross checking, walkthrough tests, meeting with the auditee and management response, the procedure ensures thoroughness in the audit process. The inclusion of tests of control and substantive procedures ensures comprehensive evidence collection. Preservation of audit files, along with a proactive follow up process, further underscores the commitment to accountability and continuous improvement. Overall, this procedure sets a solid foundation for robust internal audits, contributing to the company's financial integrity and long-term success.

3.9 Recommendations:

To further enhance the effectiveness of internal audit procedures at Walton Hi tech Industries PLC, several key steps are advised. Firstly, a continued investment in training and development programs for the audit team is crucial. This will ensure they are equipped with the latest methodologies and technologies, thereby improving the efficiency and depth of audit procedures. Implementing a structured feedback mechanism for audit processes is essential. This encourages auditors to share lessons learned and best practices, fostering a culture of continuous improvement and ultimately enhancing the effectiveness of future audits. By embracing these recommendations, Walton Hi-tech Industries PLC can further refine its internal audit process, ultimately contributing to improved governance, transparency, and risk management within the organization.

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Appendix A.

Experience Certificate:

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03.42/2023/4966 26 October 2023

TO WHOM IT MAY CONCERN

This is to certify that Mr. Wasief Shakil, son of Mr. Shakil Ahmed, ICAB Registration number 34787/2022, ERP student ID No. STD-001500, has been working in ACNABIN, Chartered Accountants as Articled Student from 17 March 2022 to till date.

During this tenure he performed audit and consultancy related assignments.

His performance in respect of duties and responsibilities is satisfactory.

We wish him every success in life.

Md. Abdus Samad
General Manager (Admin.)
<samad@acnabin-bd.com>

bakertilly
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Supervisor’s Visiting Card

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