Report on
"Comprehensive Audit Methodology of ACNABIN Chartered Accountants"

By

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ID: 19204010

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

Bachelor of Business Administration
BRAC University
February 2025

Declaration

It is hereby declared that

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

Student's Full Name and Signature:

Md. Rakib Hasan
19204010

Supervisor's Full Name and Signature:

Dr. Kausar Alam
Associate Professor
BRAC Business School
BRAC University

Letter of Transmittal

Dr. Kausar Alam

Associate Professor,

BRAC Business School

BRAC University

KHA 224, Progati Sarani,

Merul Badda, Dhaka 1212.

Subject: Submission of the Internship Report

Dear Sir,

This is to inform you that, I am pleased to present the report on my internship program, titled *"Comprehensive Audit Methodology of ACNABIN Chartered Accountants"*. This report summarizes my experiences and insights gained during my internship period, as well as the key aspects of the audit methodologies practiced at ACNABIN Chartered Accountants.

It has been a valuable learning opportunity, and I am grateful for the chance to contribute to the firm's projects while enhancing my understanding of auditing processes. I would also like to respectfully acknowledge your invaluable advice and assistance in the preparation of this internship report. Your guidance has been instrumental in shaping its content and quality.

I have made every effort to ensure that the final report comprehensively includes all essential data and recommendations in a precise and thorough manner.

Sincerely yours,

Md. Rakib Hasan

ID: 19204010

BRAC Business School

BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by and between ACNABIN Chartered Accountants and the undersigned student at BRAC University, BRAC Business School: Md. Rakib Hasan

As per the agreement, the information I have used in this report, it cannot be used anywhere else rather the information is to be used only for the internship purpose.

Acknowledgement

I would like to express my profound gratitude to Almighty Allah, for enabling me to successfully complete my internship program. I extend my sincere appreciation to my esteemed supervisor, Dr. Kausar Alam, Associate Professor of the BBA Program at BRAC Business School, BRAC University, as well as to my co-supervisor, Dr. Nitai Chandra Debnath, Associate Professor of the BBA Program at BRAC Business School, BRAC University, for their invaluable support and guidance in the preparation of this internship report, which fulfills a requirement of the BUS400 course.

I am also deeply indebted to Mr. Muhammad Aminul Hoque, FCA, Audit and Assurance Partner at ACNABIN Chartered Accountants, for his direction and mentorship, as well as for granting me the opportunity to intern at ACNABIN. This experience allowed me to gain hands-on knowledge of the external audit processes within the Garments industry. Further, I would like to extent my heartfelt gratitude to Mr. Md. Harun Ur Rashod, Deputy Manager, and Md. Jahid Iqbal, Senior Assistant Manager, for his support and mentorship during the internship period.

Finally, I wish to convey my sincere appreciation to my audit teammates, in-charges, on-site supervisors, and the director of the Audit and Consultancy department at the firm for their guidance and support throughout my internship journey.

Executive Summary

This report about "Comprehensive Audit Methodology of ACNABIN Chartered Accountants" is structured into five distinct parts to ensure a comprehensive analysis and clear presentation of the findings.

In first chapter, a detail overview of the internship program is discussed including job responsibilities, personal experiences gained and the limitation of the internship period.

Second chapter focuses on the overview of the firm, its vision, mission and core values where as third chapter contains the general audit procedures performed by ACNABIN Chartered Accountants for their audit clients.

Fourth chapter identifies the objective of the research, the audit procedures used by our audit team while conducting statutory audit in Fakhruddin Textile Mills Ltd. The use of appropriate audit procedures, following the international standards on auditing (ISA). Additionally, some recommendations suggested by us may improve the process in efficient way.

The last chapter described ACNABIN's compliance with relevant auditing standards and also limitation faced practically while auditing in Fakhruddin Textile Mills Ltd.

Overall, this paper is aim to understand and explain how Acnabin Chartered Accountancy Firm conduct Audit in a more comprehensive way. For this, this paper extract useful information and analyzes from team members, audit clients, previous data and documents etc. This paper identifies that the audit practice of Acnabin Chartered Accountant assessed various categories of material misstatement risks and conducted a detailed evaluation of the company's internal control activities to ensure compliance with audit standards and to identify potential areas of concern. Finally, the report concludes with a detailed summary, highlighting the key findings and insights derived from the study.

Keywords: Statutory Audit, CA firms, ICAB, ACNABIN, FTML, Audit procedures.

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List of Acronyms

ICAB	Institute of Chartered Accountants of Bangladesh
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
SWOT	Strength, Weakness, Opportunities and Threats
FS	Financial Statements
IAS	International Accounting Standards
FTML	Fakhruddin Textile Mills Ltd
ERP	Enterprise Resource Planning
FCA	Fellow Chartered Accountants
CV	Curriculum Vitae
NGO	Non- Governmental Organization
WDV	Written Down Value
IFAC	International Federation of Accountants
CWIP	Capital Work in Progress
GL	General Ledger
BSEC	Bangladesh Securities and Exchange Commission
BB	Bangladesh Bank

Glossary

Audit Methodology	Audit Methodology refers to a systematic framework or structured approach used by auditors to plan, execute, and report on an audit.
Hot Review	A Hot Review, as per International Standard on Quality Control (ISQC) 1, refers to a quality control process conducted during the audit engagement, prior to the issuance of the audit report. It involves an independent review by a qualified team member, typically not involved in the engagement, to ensure that significant judgments, conclusions, and compliance with professional standards and regulatory requirements are appropriately addressed.

Chapter 1: Introduction

1.1 Student information

Name: Md. Rakib Hasan

ID: 19204010

Program: Bachelor of Business Administration

Major: Accounting

Minor: Finance

1.2 Internship information

1.2.1. Period and company information

Period: 12 Weeks (3 months)

From: 26th July 2024 to 25th September 2024

Company Name: ACNABIN Chartered Accountants

Address: BDBL BHABAN, Level-13, 12 Kazi Nazrul Islam Ave, 1215 Dhaka 1215.

1.2.2. Internship workspace supervisor information

Supervisor: Md. Jahid Iqbal

Designation: Senior Assistant Manager, Audit and Consultancy

1.2.3. Key responsibilities and core duties

During my internship period at ACNABIN Chartered Accountants, I worked as an external Auditor and served the firm by engaging in multiple clients for instance- Fakhruddin Textile Mills Ltd. (FTML) which is a concern of Urmi Group. As an external Auditor, I have performed various audit procedures to confirm whether the financial statements of Fakhruddin Textile Mills Ltd. (FTML) present fairly, in all material respects.

I have conducted the audit in accordance with International Standards on Auditing (ISAs). Moreover, I have fulfilled all the ethical requirements that are relevant to the audit of the financial statements in Bangladesh and have fulfilled other ethical responsibilities in accordance with these ethical requirements.

Furthermore, I have also performed the following duties in order to perform the Audit:

1. Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for Audit opinion;
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures;
3. Concluded on the appropriateness of management's use of the going concern basis of accounting.
4. Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group.
5. Audited all the elements of financial statement as per the standards prescribed by International Standards of Auditing and Audit practice manual designed by ICAB under the supervision of my Audit-in- charge and Engagement Manager;
6. I was also involved in physical verification of the Assets of Fakhruddin Textile Mills Ltd. (FTML) particularly its inventories and property, plant and equipment.
7. I along with my team members obtained and checked all the supporting documents, prepared a standard working file as prescribed by ISA and presented all the observations to my Engagement Partner.

1.3 Outcome of the Internship

1.3.1. Strengthening organizational value

We performed the Audit by adhering the compliance and regulations of our Firm and provided the best service to the client. At the end of the Audit, Client was satisfied with our Audit observations and our professionalism that we maintained throughout the whole Audit tenure. We focused on keeping client's confidentiality and never use any untrusted platform to deliver and exchange confidential data of the client.

Ultimately, it boasted the relationship between Urmi Group and ACNABIN Chartered Accountants. The firms remain profitable and the goodwill of the firm has increased as well.

1.3.2. Professional gains from internship

During my university studies, my focus was primarily on theoretical knowledge. However, upon joining the internship program, I gained valuable exposure to both the culture of the firm and that of the client organizations. This experience allowed me to understand organizational policies and practices, as it marked my first engagement in a practical field. The initial phase of my internship provided a strong foundation, helping me to quickly familiarize myself with the professional environment and operational dynamics.

Additionally, the internship enabled me to connect my academic studies with real-world work experience, bridging the gap between theoretical concepts and practical application.

1.3.3. Improved competency in excel and accounting applications

During my internship tenure, I have to use Excel worksheet almost every day. It contributed a lot to enrich my excel and other Microsoft software as well for instance- Microsoft word, Microsoft Outlook etc.

Besides the spreadsheet software, I have the opportunity to learn about accounting software like Oracle. I have gained knowledge about how to get access of the ledgers and trial balance and also get the idea about how to post on Oracle. It has definitely boosted my confidence and will contribute my growth in the future of accounting job.

1.3.4. Improve professional communication and email crafting

Through my audit experience, I have significantly developed my formal communication skills, especially in interacting with clients during audit engagements. This role has taught me to convey complex information clearly and professionally, ensuring that client inquiries and concerns are addressed efficiently. Additionally, I have refined my email writing abilities, focusing on clarity, conciseness, and proper tone, which has enhanced my ability to communicate effectively and professionally in written correspondence. These skills have contributed to more seamless interactions and stronger client relationships.

1.4 Challenges of the internship

As a beginner in this professional field, I faced a lot of challenges and difficulties during my internship period in ACNABIN Chartered Accountants. Moreover, entering a new environment as a newcomer presents a unique set of challenges. It took time for me to cope up with in this new environment, new people and new policy and procedures. As an intern, I was held to the same standards as a full-time articled student.

The tasks assigned to me and the guidelines provided closely mirrored those given to articled students, which at times made it challenging for me to fulfill my responsibilities.

1.5 Recommendations

ACNABIN Chartered Accountants are considered as one of the finest and fastest growing Chartered Accountancy firm in Bangladesh. It has a large client base and there is a great opportunity to learn diverse sets of work here. Partners of the firm are highly qualified and handle a diversified client base like Grameenphone, Walton, Urmi group etc. It also provides assurance service of the financial statement of listed clients so the opportunity of learning is huge. Besides, they continuously focus on developing their human resources with latest knowledge of IAS, IFRS and Tax updates. Therefore, I will definitely recommend ACNABIN Chartered Accountants if they want to pursue a career in Chartered Accountancy.

Chapter 2: Background Information of ACNABIN Chartered Accountant

2.1 Overview of the firm

ACNABIN is one of the largest accounting firms in Bangladesh and serves as an independent member of the Baker Tilly International network, providing assurance, tax, and business consulting services with a commitment to high quality. Established in 1985, the firm has become a trusted and efficient partner to the business community and key stakeholders. At ACNABIN, success is measured by the value created for our clients and stakeholders. To meet the needs of our esteemed clientele, approximately 500 professionals with diverse expertise and experience work diligently across various markets every day.

Baker Tilly International is the world’s 8th largest accounting network, comprising 145 independent member firms across 110 countries. Since 1993, it has been enlisted with USAID and the European Commission and conducts financial audits for the Canadian International Development Agency (CIDA). Additionally, it is authorized by the United States Office of the Regional Inspector General/Audit in Singapore to perform financial audits of USAID fund recipients in Bangladesh. Furthermore, Baker Tilly International is enlisted by the European Commission and CIDA to conduct financial audits for recipients of their funding.

Approach of ACNABIN Chartered Accountant is to understand not only their clients' immediate desires but also their broader business needs. They aim to deliver not just short-term solutions, but sustainable, long-term outcomes. Their commitment is to be proactive anticipating future challenges and addressing them ahead of time, rather than merely reacting to current client needs.

2.2 Partners of the firm

Name and service provided by the partners are as follows:

Name of the partner	Specialist
Iftekhar Hossain, FCA	Corporate finance advisory services.
A.S.M Nayeem, FCA	Assurance services, Tax and regulatory services.
Atma Bari, FCA	Audit and Assurance.
Name of the partner	**Specialist**
Md. Moniruzzaman, FCA	Assurance services, Tax and regulatory services, corporate finance advisory services.
Md. Rokonuzzaman, FCA	Assurance service, Business process outsourcing.
Md. Mominul karim, FCA	Assurance services, Tax and regulatory services.
Md. Rezaul Islam, FCA	Business process outsourcing, corporate finance advisory services.
Muhammad Aminul Hoque, FCA	Assurance services, corporate finance advisory services.

Table 1: List of partners of ACNABIN Chartered Accountants

2.3 Vision, mission and core values of the firm

2.3.1 Vision

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

2.3.2 Mission

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

2.3.3 Core values

ACNABIN Chartered Accountants' core values are driven by Baker Tilly's Core value which are:

I. To lead by example
II. To deliver quality services with integrity
III. To communicate openly, to act ethically
IV. And to foster a community built around civic responsibilities and teamwork.

2.4 Strategic Intent

ACNABIN is passionate about helping their clients, while at the same time developing their people's potential.

While securing safe and trusted position in the market for financial institutions, telecommunications, foreign branch and liaison offices and NGOs/NPOs, we they see wider space for them to get involved in other sectors in the country and in the region.

- **Strategic Intent:** They want to become trusted leader in the market ensuring highest level of professional ethics and competencies.
- **Partner-Driven Approach:** They cater to their clients with personalized attention and meet their business challenges with ease and finesse without compromising the independence wherever required.

- **Extraordinary Client Service:** ACNABIN's client-centric approach is built around highly customized services through continuous innovation to deliver value to their clients. They provide support to our customers that they can rely on, encompassing all their requirements to the best of their ability. They believe in 'total client satisfaction'.
- **Vibrant and Long-lasting Client Relationships:** Their client relationships are more than just business partnerships. They endeavor to understand the person as well as their business and build a vibrant and long-lasting relationship.

2.5 Professional services portfolio at ACNABIN

2.5.1 Assurance services

The assurance teams of ACNABIN Chartered Accountants are trained to handle the following assurance services:

- Statutory Audit
- Independent review of financial statements
- Special purpose management certificates
- Donor audit
- NGO Audit
- Special audit
- Internal audit
- Interim audit, etc.

2.5.2 Business Process Outsourcing (BPO)

ACNABIN offers a comprehensive range of business outsourcing solutions designed to deliver high-quality, reliable results while allowing businesses to focus on their core operations. Their primary outsourcing services include accounts payable processing, payroll and payroll tax processing, general ledger and financial statement processing, and a suite of accounting services. Additionally, ACNABIN provides human resource support, preparation of management accounts and management information systems, and the preparation and maintenance of books of accounts. Special team supports clients in day-to-day transaction processing, bookkeeping, and preparation of final accounts, as well as fixed asset verification and record completion. These services collectively enhance operational efficiency and ensure accurate, up-to-date financial reporting for their clients.

2.5.3 Tax and Regulatory services

Comprehensive offerings of ACNABIN in direct tax include corporate and individual tax planning, domestic and international tax advisory, compliance and litigation services, capital gains tax, tax assessments and appeals, inheritance tax planning, and expatriate services. They also support clients in handling inquiries from tax authorities, preparing tax returns, and planning tax-efficient remuneration.

For indirect taxes, their services cover compliance, advisory, and litigation support related to import duties, customs, foreign trade policy, special economic zones, and dispute resolution. They offer representation before adjudication and appellate authorities and engage legal counsel for cases before higher courts. Their specialized services include assistance with ERP implementation for indirect taxes, VAT impact assessments, transaction structuring, refund and rebate claims, and comprehensive tax reviews.

2.6 Clients of ACNABIN Chartered Accountants

ACNABIN delivers high-quality audit and assurance services to a diverse range of clients across various sectors and industries which includes manufacturing companies, financial and banking institutions, telecommunications, solar power companies, non-governmental organizations and autonomous bodies.

Some of their prominent clients include:

- **Financial and Banking Sector**: BRAC Bank, Dhaka Bank, IDLC Finance, and Mutual Trust Bank.
- **Telecommunication**: Grameenphone (a Telenor company).
- **Manufacturing**: Urmi Group, Walton, Beximco Group, ACI Limited, and Square Pharmaceuticals.
- **Non-Governmental Organizations (NGOs)**: BRAC, Save the Children, and Care Bangladesh.
- **Power and Energy Sector**: Infrastructure Development Company Limited (IDCOL) and various solar power companies.

- **Government and Autonomous Bodies**: Bangladesh Road Transport Authority (BRTA) and Bangladesh Petroleum Corporation.

These clients reflect ACNABIN's expertise in delivering audit, tax, and consulting services across diverse industries in Bangladesh.

2.7 Role of Personnel

Partners: The role of partners is to catch the attention of new clients for providing service and sometimes clients also come over to the firm themselves. They must make sure that the existing clients are provided the finest service.

Audit Managers: Audit managers must be able to assist partners in different way. They prepare and finalize all work before audit. They analyze the audit report before the audit report is signed.

Supervisors: It is not necessary for the supervisors to be a chartered accountant. He can also be a course completed student having huge experiences in the field of accountancy. He is being supervised by the audit manager when an audit activity is performed.

Senior Student: An audit senior must gain an experience of 2 years in the accountancy field before he is designated as the audit senior of the firm. He is under the direct supervision of audit manager and supervisor.

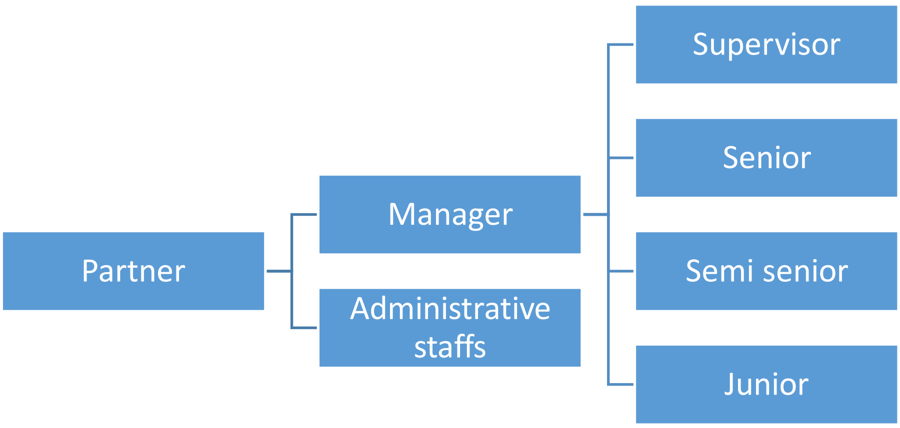

Figure 1: Network Organogram

Source: Developed by Author

Semi-Senior Student: A semi-senior student must complete 1 year of articleship in the firm and that person is responsible to the senior student of the firm when he is doing any fieldwork.

Junior Student: Junior- Students are freshers who have joined the audit firm.

Others: There are other supporting staffs as well who are not engaged in audit. They are Human resource manager, technicians, receptionists etc.

2.8 Process for hiring and selection

The recruitment and selection process at the firm varies based on the applicant's desired role. Applicants for an articled student position must submit their resumes or CVs for initial shortlisting to qualify for the written test. Those who meet the required standards in the written test are then invited to a panel interview. Successful candidates from the interview proceed to begin their article period.

For applicants seeking organizational roles, the process excludes a written test. Resumes are screened, and shortlisted candidates are directly invited for an oral interview. Based on their performance in the interview, candidates are selected for the designated positions.

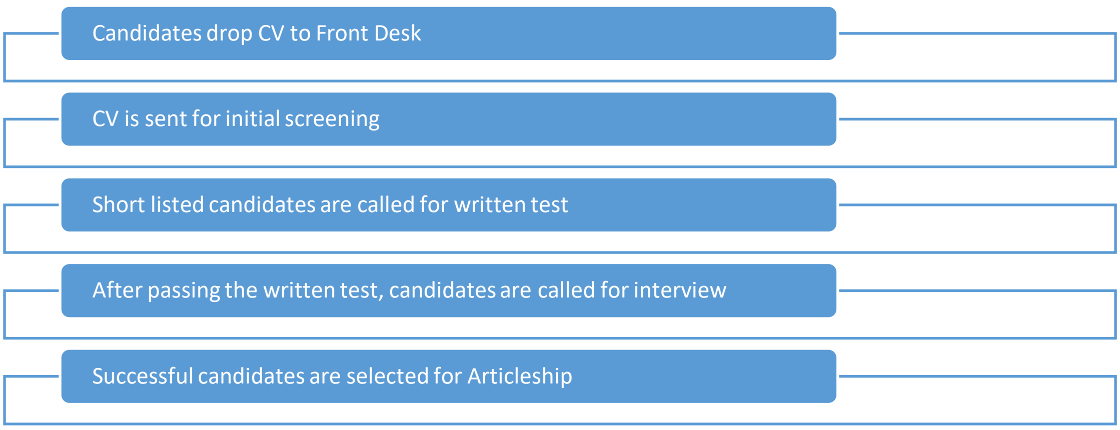

Figure 2: Hiring and Selection process

Source: Developed by author

2.9 Allowance structure

Allowances of the Article student is provided as per the guideline of Institute of Chartered Accountants of Bangladesh (ICAB). As per latest increment, the allowances of the Article students are:

- 1st year- Taka 7000
- 2nd year- Taka 8000
- 3rd year- Taka 9000
- 4th year- Taka 10000

If a student passed Certificate level examination, then the student will be provided additional Taka 3000 per month and if a student passed professional level, then an addition of Taka 5000 will be provided. The remaining remuneration or allowances are provided by the firm according to its policies and salary scale, and are contingent upon the candidate's educational background and academic performance.

2.10 Marketing Strategies

2.10.1 Human Resource Development

As the competition of chartered accountancy firms has become strong, ACNABIN focuses on continuous development of their human resources on a regular basis. Process like cold reviews as well as hot reviews helps the auditors to learn a lot about audit practices of Bangladesh.

2.10.2 Marketing channels

ACNABIN Provides assurance and other accounting services to those companies who need auditor's report to maintain compliance.

2.10.3 Advertisement

Chartered Accountancy firms can not advertise their work as per the Chartered Accountants act of 1949. Besides, it has been considered as a violation of the code of ethics for professional Accountants.

2.11 SWOT analysis of ACNABIN Chartered Accountants

Strength: ACNABIN Chartered Accountants, a leading firm in Bangladesh, has several strengths, including:

- "A" Category Firm
- Strong Client Base

- High profile Partners including former president of ICAB
- Varieties of Clients
- International affiliation
- Strong goodwill in the market

Weakness: Weakness of ACNABIN Chartered Accountants are as follows:

- Huge burden of Payroll
- No formal appraisal system
- Critical client base arises significant risk.

Opportunities: Newly introduced companies can be a target customer of ACNABIN Chartered Accountants. Besides, producing more chartered accountants may rise up the goodwill of the firm into significant level.

Threats: ACNABIN has a huge competition with the big four association i.e Deloitte, EY, KPMG, PWC. Firms like Hoda Vasi Chowdhury & Co and A Qasem & Co Chartered Accountants could be a potential threat to take over valuable clients. Moreover, lower compensation provided to the article student can reduce its human resources which is eventually causing the firm to lose potential clients.

2.12 Information System Practices

ACNABIN Chartered Accountants has their own established ERP system. By using the ERP software, they ensure the proper allocation of their resources and manage all the data of their Client, Article students and employees.

Mainly the managers allocate the resources based on their expertise and experiences. They choose the suitable team considering their capability to perform the Audit or other engagement services. From the ERP, they can easily trace the available students and further plan to allocate them in client works.

Moreover, the supervisor places requisition related to their needs and further engagement manager or engagement partner approved their requisition. Requisitions are mainly placed to acquire resources like stationeries.

Furthermore, daily attendance, monthly allowances, conveyance database etc. are maintained in ERP. From the ERP, Partners approved the salary and allowances and can trace the operating expenses of the firm. Client’s confidential data is also preserved in the ERP, however it is secured by password to limited users like partners, admin and managers. Basically, article student cannot access this information.

2.13 Summary and conclusion

In this section, an overview of the firm has been provided with the background of the firm and its partners and its long-term goals. Besides, the strategic objective of the firm has been mentioned along with its partners and their specific concentrated areas. Types of services provided by the firm along with its valuable clients are mentioned as well in this chapter. Top companies of Bangladesh are being provided services by the firm.

The hierarchy of the firm has been figured out in this section along with their segregation of duties. Moreover, policies of the human recruitment, their basic allowances are clearly mentioned in this segment.

Furthermore, Firm’s Strength, weakness, opportunities and threats have been discussed as well in this section of the report.

Chapter 3: The Project Part- Comprehensive Audit Methodology of ACNABIN Chartered Accountants”

3.1 Overview of the Project

An audit is an independent assessment of a specific subject, carried out by a skilled professional, aimed at forming an opinion on its accuracy and fair representation. Its primary purpose is to give shareholders a clear picture of the company's actual condition while evaluating how effectively the management has handled its resources. Additionally, an audit boosts users' trust in the subject by confirming its dependability and integrity.

Audit methodology refers to a systematic framework outlining the tasks to be carried out during an audit. It serves as a roadmap for the audit team, offering direction throughout the audit process, from initial planning to the final reporting phase.

ACNABIN Chartered Accountant upholds international auditing standards by performing audits with a detailed, systematic, and methodical approach. Recognized as one of the top chartered accountancy firms in Bangladesh, it boasts a robust client base and competes with the Big Four firms in the country. As a result, it holds an 'A' category ranking in Bangladesh. The firm offers exceptional services across various domains of accountancy, including auditing, business process outsourcing, taxation, valuation, due diligence, and more.

3.2 Objective of the Study

This study investigates the audit procedures of ACNABIN Chartered Accountants, emphasizing their compliance with International Auditing Standards (ISA). It seeks to assess whether ACNABIN’s practices align with ISA requirements and identify significant challenges faced by the firm. Additionally, the study explores the impact of inadequate training on the performance of engagement team members, the potential redundancies arising from conventional auditing systems, and the audit team’s commitment to maintaining high-quality services and professionalism. The findings aim to provide insights into the effectiveness and efficiency of ACNABIN’s audit processes while highlighting areas for potential improvement.

3.3 Impact of the study

A Comprehensive Audit Methodology analysis of a chartered accountants firm reveals how effectively the firm plans, executes, and concludes audits. It highlights key strengths such as following regulatory standards, risk-based planning, and consistent documentation. The analysis may also point out areas for improvement such as using technology more effectively or better staff training. Ultimately, it ensures that audits are thorough, efficient, and valuable for the clients. This kind of evaluation helps the firm maintain quality, keeps professional integrity, and continuously improve its practices strengthening client trust and positioning the firm for long term success in a competitive market. (Thronton, 2015)

3.4 Methodology

Exploratory research gives a flexibility to make initial explaining the reasons behind a phenomenon or understanding the cause-and-effect relationships between variables (Creswell, 2014). It goes beyond just identifying patterns (like in descriptive research) and seeks to clarify why and how things happen.

For conducting this kind of research probable data source could be discussion with team members, discussion with clients, previous working files and documents, internal knowledge sharing program, observation of audit procedure etc. However, this paper uses a convenient approach of selecting data which are easily accessible and serve the purpose of this paper. For instance:

- Reviewing the audit checklists prepared by ACNABIN;
- Discussing with Engagement partner and Managers;
- Collecting information through directly working in Urmi Group;
- Analyzing the standards published by IFRS Foundation and IAASB;
- Careful review of the working papers of various audit engagements;
- From the guidelines provided by Institute of Chartered Accountants of Bangladesh.
- Discussing key audit matters with the Audit-in-charge

Moreover, the information extracted from this sources to understand and explain "Comprehensive Audit Methodology of ACNABIN Chartered Accountants". To illustrate, the audit procedure of Urmi Group like engagement procedure, audit planning, risk assessment, compliance check review and compliance.

3.5 Audit procedures

3.5.1 Engagement procedures

Prior to initiating any planning or procedures for the audit process, the Firm typically exchanges letters with clients. The engagement process generally involves three types of situations: first, engagements with existing clients; second, cases where clients express interest in appointing the Firm as their auditor; and third, engagements with new clients.

These interactions establish the foundation for the audit process and help in determining the specific requirements and expectations for each engagement.

In case of existing client, ACNABIN sent Expression of interest to Client. In case of new client, a detailed proposal is sent which includes profile of the firm, experience of the Engagement Partner and other important aspects. After successfully negotiating the terms and condition, client sent an appointment letter. Then ACNABIN sent an acceptance letter including Form 23B in reply to their appointment.

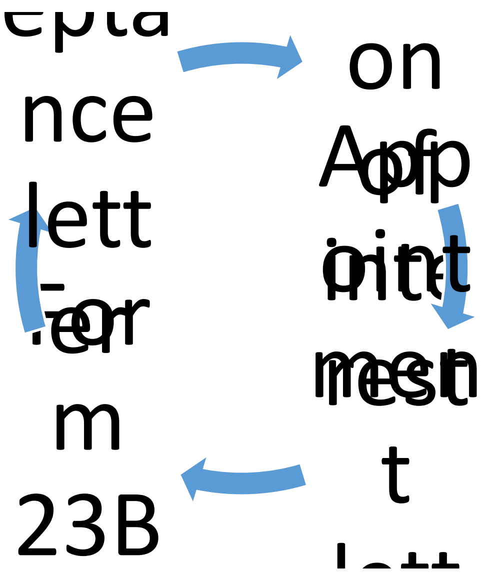

Figure 3: Engagement Procedure

3.5.2 Audit Planning

Before the commencement of the field work, audit team has to plan the audit so that the audit can be performed in effective and efficient manner. Following procedures are followed in a planning stage of an audit:

- **Develop an audit program:** An audit program has been developed after an intial screening of the financial statements. It includes all the works that need be performed while auditing each element of the financial statements.
- **Calculation of materiality:** In audit, Auditor need to work considering the material amount for which calculation of materiality is an important task. Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

Thus, the Auditor of ACNABIN calculates materiality which provides them a threshold or cut-off point.

Limit in Taka	**Parameters**		
	Profit before taxation	**Total assets**	**Turnover**
0-50,000,000	10.00%	3.00%	3.00%
50,000,001-100,000,000	10.00%	2.50%	2.50%
100,000,001-200,000,000	10.00%	2.00%	2.00%
200,000,001-560,000,000	10.00%	1.50%	1.50%
Above 560,000,000	10.00%	1.00%	1.00%

Table 2: ICAB Prescribed rate for calculating Materiality

3.5.3 Understanding the entity and its environment

Before auditing an entity, it is important to understand about the nature of the business, who they are, what they do. ACNABIN developed a questionnaire to understand their client which helps the auditor to perform the audit in an efficient manner. For recurring audit, new audit team takes help of previous year's working file specifically the planning file to obtain an understanding of the client.

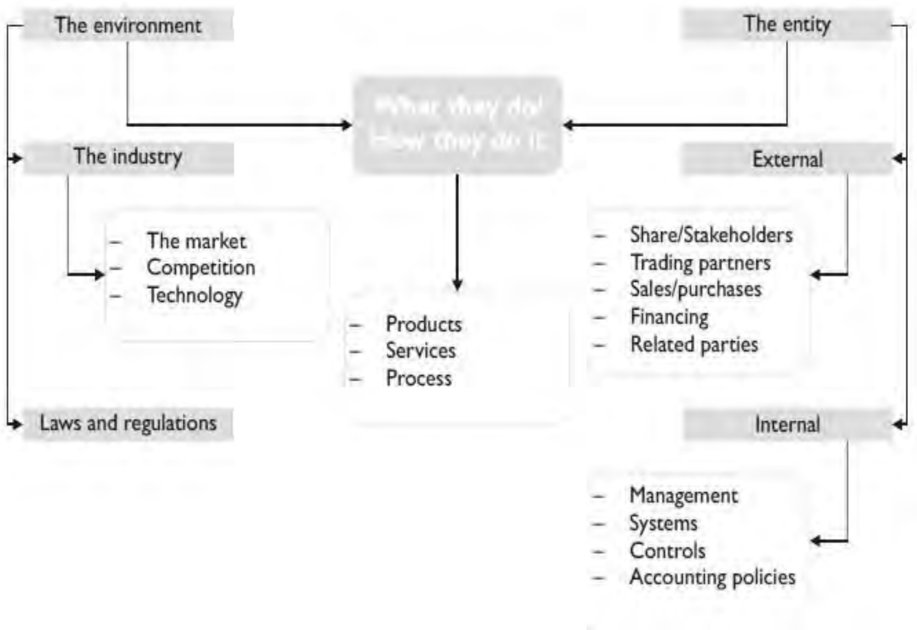

Figure 4: Understanding the entity and its environment

3.5.4 Risk assessment

Auditor should always mitigate the audit risk to a significant level. To do that, ACNABIN analyses the financial risk, operational risk and compliance risk of their clients. Financial risks are the risks arising from the financial activities or financial consequences of an operation. Operational risks are the risks arising with regard to operations whereas Compliance risk is the risk that arises from non-compliance with laws and regulations that surround the business.

During the audit, ACNABIN obtains initial audit evidence in order to:

- Effectively assess the inherent risk of potential financial statement misstatements
- Identify indicators of possible going concern problems, and
- Identify account specific risk and design an overall audit approach to provide reasonable assurance of detecting material misstatements.

3.5.5 Audit approaches

During this period, actual field works of audit is performed by the auditors of ACNABIN Chartered Accountants. Audit team usually visits the client office with the team member and start working as per the instructions of the engagement partner and engagement manager.

3.5.6 Evaluating internal control

Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Audit team members evaluate and assess the design and operating effectiveness of internal control so that they can gain confidence about the reliability of financial reporting.

3.5.7 Walk through test

Auditors perform walk throughs and test key controls to evaluate their reliability in preventing or detecting errors or fraud. Therefore, Engagement team members scrutinize and traces the document step by step from its inception to deception.

3.5.8 Substantive testing

Throughout the fieldwork stage, audit evidence is collected by the auditor of ACNABIN Chartered Accountants. They verify the transactions by deeply analyzing the general ledgers, balances, and sufficient disclosures by examining source documents like proforma invoices, purchase order, commercial invoices, contracts, and bank statements.

3.5.9 Analytical procedures

Personnel of ACNABIN Chartered Accountants highly emphasis of analysis of the financial statements. For this, they use financial analysis and trend comparisons to identify inconsistencies or unusual variations. By identifying the abnormal transactions, they continue the audit so that effective observations can be found out. Comparison of current period data with previous period, total cost in line with revenue compare to last year and so many other techniques they use to approach the Audit.

3.5.10 Confirmation from external parties

In audit, confirmation from external sources is preferred as a high- quality audit evidence. Keeping in line with the ISA 505- External Confirmation, the Firm sent bank confirmation letter to respective banks, balance confirmation letter to customer and vendors, lawyer confirmation letter to lawyer etc.

Figure 5: Types of external confirmations

3.5.11 Verification of financial statement line items

Here, all the line items are being audited as per the planned work set in Audit plan. Revenue and expenses are tested to ensure their accuracy and completeness. Moreover, balance sheet items are checked in way that could cover all the financial statement assertions like completeness, accuracy, cut off, classification, etc.

3.5.12 Physical verification of assets

Assets like property, plant equipment, inventories, petty cash are verified by physical presenting in Company's warehouse to confirm their existence. The test is performed at the cut- off date however surprise test can be done.

3.5.13 Compliance check

The Audit team verifies adherence to relevant and applicable laws, regulations, and accounting standards (e.g., IFRS, GAAP). It is important for the auditor to check whether financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

In connection to that the auditors of ACNABIN Chartered Accountants also check the computation of income tax whether it complies with the Income tax Act 2023 and other taxation rules. Tax calculation, VAT charges are the key concern for the auditors to check as the NBR relies on the report of the Auditor as well. They are one of the major stakeholders of the Audit report.

3.5.14 Presentation and disclosure

Auditors need to check the completeness and accuracy of whether all the disclosures that are needed to be disclosed is provided or not. They need to ensure all the mandatory disclosures such as contingent liabilities, contingent assets and related party transactions.

3.6 Review and completion

After completion of the field work, engagement manager initially arranges a review session where all the works done by the audit team has been reviewed, whether they maintain adequate quality standards of ACNABIN Chartered Accountants. Audit team members are asked questions related to the audit and engagement manager justify their work.

After a session of reviews, Engagement manager seat with Engagement Partner for a final review. Engagement partner initially analyzed the whole financial statements and particularly focuses on the reason of changes, analytics and the standard of presentation of financial statement whether it complies with IAS-1- Presentation of Financial Statements.

Then, Partner seat with the whole team and take a hot review of their work. If the partner satisfies with the whole audit performance, then the reporting phase starts.

3.7 Communication and reporting

In this stage, the Audit team of ACNABIN Chartered Accountants arrange a discussion with Management of the respective company. In the meeting lead by the Engagement manager, findings and observations of the audit is shared. Later, if any matter arises which is significant to the company is resolved. If any adjustment needs, the engagement manager discussed with the management and take necessary adjustment so that the financial statement complies with relevant accounting standards.

Finally, the audit team prepares a reporting containing an audit opinion on the financial statements which can be unqualified, qualified, adverse, or disclaimer. If the financial statement of the Company presents fairly, in all material respect, then a unqualified opinion is provided. In case of materially misstated financial statement, a modified audit opinion is provided. Before sending the report to the client, the audit team specially the engagement manager and engagement partner rigorously checked the financial statements multiple times so that no mistake can be found by the client.

If it is required, then the engagement partner might report significant findings to regulatory authorities such as National Board of Revenue (NBR), Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC),

3.8 Documentation and quality control

It is mandatory for the audit team to maintain a detailed working papers supporting sufficient and appropriate audit evidence and conclusions. A standard audit documentation includes working files of every element of the financial statements. Moreover, working files should include a top sheet which illustrate the closing balance, works done and observations. Working files should be properly referred so that user can easily understand the documents.

Engagement partner has to strongly review the working paper so that it ensures compliance with auditing standards and professional ethics.

These tasks are guided by the applicable auditing standards, such as International Standards on Auditing (ISA) or other regional equivalents, ensuring a systematic and consistent approach to the audit process.

Chapter 4: Audit practices at Fakhruddin Textile Mills Ltd. (FTML)

4.1 Introduction

During my internship period, I was assigned in multiple assignments. Among them, the statutory audit of Fakhruddin Textile Mills Ltd. is one of the major clients. Working there, I have gained a lot of practical experiences. Basically, in this chapter, I will demonstrate all the audit practices that we have performed with my Audit team. I have understood the importance of working in a team and how to share knowledge and experiences among the team members.

Like other statutory audit, same standards have been maintained for the audit of Fakhruddin Textile Mills Ltd as well. As far as i observed, the audit procedures maintained there is kind of similar like other companies

4.2 Job Responsibilities

My task during the audit was to audit some specific elements of financial statements such as cash and cash equivalents, advance, deposit and prepayment, Operating expenses, other income, intangible assets and property, plant and equipment. Rest of the elements were audited by other members of the audit team. To audit my assigned elements, I took help of the audit program and also take assistance of my seniors. They guided me well which allowed me to perform the audit smoothly. The basic motive of mine is to provide the best observation to the client so that they can improve their reporting efficiently and effectively. During any audit engagement, we provided our opinion on Financial Statements whether it was provided in accordance with Bangladesh Standards on Auditing (BSA) as well as International Standards on Auditing (ISA).

4.3 Audit procedures performed at Fakhruddin Textile Mills Ltd (FTML)

4.3.1 Engagement with FTML

As the client is recurring for ACNABIN Chartered Accountants therefore ACBANIN sent an Expression of Interest (EoI) to FTML. This is a formal letter prepared in working pad of ACNABIN and it is prepared with due care so that no mistake is found later.

Usually after getting the EoI, Fakhruddin Textile Mills Ltd sent an appointment letter to ACNABIN Chartered Accountants. In this letter, they confirm us their auditor and it is duly signed by the higher authority of the FTML.

In reply to the letter, we have sent an acceptance letter that you have acknowledged their acceptance and ready to start the assignment. Meanwhile, ACNABIN sent this appointment letter to Registrar of joint stock of companies (RJSC) to issue Form 23B. Later, the Form 23B is sent to the client so that client can ensure the legal appointment of the auditors. So, this is the process that actually follow not only ACNABIN Chartered Accountants but also other chartered accountancy firms.

28 October 2023

The Managing Director
Urmi Group
House No 4A,
Saimon Center, Level- 3, Rd 22,
Dhaka 1212

Dear Sir

Expression of Interest
Appointment of Statutory Auditors
Fakhruddin Textile Mills Limited
For the year ending 31 December 2023

We are pleased to confirm our willingness to act as statutory auditors of Fakhruddin Textile Mills Limited for the above noted year if we are so appointed in the Company's Annual General Meeting (AGM). As discussed, we agree the audit fee of Taka 500,000 (plus applicable VAT).

If you require any further information, please do not hesitate to contact us.

Thanking you

Yours faithfully

Figure 6: Expression of interest of Fakhruddin Textile Mills Ltd

4.3.2 Planning memorandum

At this stage, I along with my team members developed an audit program that best suits the company. We evaluated the whole financial statement and designed the audit program and estimated the time to complete the task. The following tasks we have performed during our planning stage:

1. We developed a memorandum which includes the overview of Fakhruddin Textile Mills Ltd,
2. We identified the applicable IFRS standards to them, including their business nature and key information;
3. We tested the business cycle such as fixed asset, inventory, revenue, treasury and expenditure cycle;
4. We tested the IT Controls to evaluate whether they effectively performed;
5. We highlighted the company policies;
6. We then performed materiality calculation of the company so that we could choose sample sizes and evaluate the significance of misstatements;
7. We discussed the roles and responsibilities of the engagement team members;
8. We developed an internal control questionnaire and inquired the client to take understanding of the company;
9. We took understanding of the revenue recognition policies;
10. We took understanding of purchase and inventory recognition policies;

Finally, we prepared flowcharts to have clear understanding of the policies of the company and then documented it for future references.

4.3.3 Placed requisition for vouchers and documents

After getting the financial statement in our hand, our senior students started placing requisition on sample basis. An auditor does not check all the documents unless it is required for certain circumstances. Auditor works by choosing samples for which it is important to have access to company's ledgers and other schedules. As prescribed by format of ICAB, we placed requisition from almost every element of the financial statement and then sent it to concerned person through formal mail by keeping our engagement manager and their concern persons in CC. Client then searched and distributed all the documents to us one after another.

Population Size - Multiples of PM	Risk and rely on control – Low Risk	Risk and rely on control – Normal Risk	Risk and not rely on control / Significant risk rely on control	Significant risk not rely on control
1 x	1	1	2	3
2 x	1	2	3	6
3 x	1	3	5	9
4 x	1	3	6	12
5 x	1	4	8	15
6 x	2	5	9	18
7 x	2	5	11	21
8 x	2	6	12	24
9 x	2	7	14	27
10 x	2	7	15	30
15 x	3	11	23	45
20 x	4	14	30	60
25 x	5	18	38	75
30 x	6	21	45	75(*)
40 x	8	28	60	75(*)
50 x	10	35	75	75(*)
100 x	20	70	75(*)	75(*)
200 x (or greater)	40(*)	75(*)	75(*)	75(*)

Table 3: Sample size selection as prescribed by ICAB

4.3.4. Audit procedure performed for cash and cash equivalents

As a junior in the team, I was assigned to those tasks that can be easily done by the junior auditors. Cash and cash equivalents is one of the easy audits and I really enjoyed auditing this element. To perform the audit efficiently, I performed the following audit procedures:

1. First of all, I confirmed whether opening balances from general ledgers;
2. Then, I have obtained all the bank statements and checked the closing balances;
3. From the bank statements, I was able to easily trace all the transactions by which I was able to confirm other tasks as well;
4. I also took the bank addresses and contact person information and sent bank confirmation letters directly to the banks;
5. From the receipt of bank confirmation letter from banks, I have checked the completeness of their reporting whether they were hiding any banking information;
6. In case of any differences, I have obtained the bank reconciliation statement from which I took the understanding of the reconciled items;
7. I also obtained subsequent bank statements to confirm whether the reconciled items were cleared or not;
8. I also checked whether any outstanding cheques were available or not;

9. Obtained the foreign exchange rate used in each month;

4.3.5 Cash counting

The whole audit team including myself conducted a verification of the client's cash in hand to confirm its accuracy and ensure proper handling. The procedures included:

1. Recording the time, location, and personnel present during the cash count;
2. Counting the cash using cash counting machines and verifying specific denominations;
3. Checking for segregation of mutilated and counterfeit notes, using a forged note detector where necessary;
4. Reconciling the counted cash with the cash book to identify and investigate any discrepancies;
5. Documenting all findings in the working papers and filing them in the current audit files.

This ensured the completeness and accuracy of the reported cash in hand.

Fakhruddin Textile Mills Ltd
Physical verification of cash & cash equivalent items

Location: Mawna, Gazipur — *Date: 31.12.2023*

Cash limit: — *Time:*
Currency: BDT — *Insurance limit:*
Coversion rate: N/A — *Cash-in-transit:*

Denomination	Number of notes/coins	Amount	Total
Notes:			
1,000			
500			
200			
100			
50			
20			
10			
5			
2			
1			
Coins:			
5			
2			
1			
		Total	
	Cash physically counted		
	Revenue stamp		
	Advances / IOU Slips		
	Bill paid		
	Cash in hand as per ledger		
	Difference (if any)		

This is to certify that the above-mentioned cash and cash equivalent items have been physically counted by ………………………………. representative of ACNABIN Chartered Accountants, Dhaka in my presence and returned me the same intact.

I / we also certify that here is no other cash or cash items in my possession at the time of physical count.

Representative of
Fakhruddin Textile Mills Ltd
(Signature with seal)

Representative of
ACNABIN Chartered
Accountants

Figure 7: Format of cash counting

4.3.6 Audit procedure performed for operating expenses

Expenses are one of vital and critical transactions of a company as it directly impacts the company's profitability. While auditing the operating expenses, we provided our utmost attention and emphasis to check and audit the expenses. The following procedures were performed during the audit of operating expenses i.e administrative expenses and selling and distribution expenses:

1. Analyzed variances and understood the reason for changes;
2. Performed GL analysis to understand the nature of the expenses;
3. Cross matched FS balances with general ledger;
4. Vouched documents on sample basis and checked supporting documents;
5. Checked the nature and purpose of legal expenses;
6. Collected two-month salary statement and checked whether it complies or not;
7. Checked extra ordinary line items;
8. Checked remuneration fees of directors;
9. Checked payments from bank statements;
10. Checked the authorization of the expenses;
11. Confirmed closing balance with ledger and draft financial statements.

4.3.7 Audit procedure performed for property, plant and equipment

Property, Plant, and equipment consist of fixed assets such as Land, Building, IT Equipment, Motor vehicle, Office equipment, Plant and machinery, Furniture and fixtures, etc. These are the assets from which future economic benefits are receiving and these are importance for the operation of the Company. These are the following audit procedures we have performed while auditing this element of financial statement:

1. Confirmed opening balance with last year audited financial statements;
2. Obtained and checked fixed asset register;
3. Obtained understanding of the Company policy regarding depreciation charging;
4. Performed variance analysis and understood the reason for change;
5. Recalculated depreciation calculation;
6. Checked depreciation calculation of transfer to PPE from CWIP;
7. Checked the schedule of additions during the year and vouched major additions;
8. Checked approval for the purchase of the assets;
9. Checked payment from bank statements;

10. Checked disposal during the year;
11. Checked derecognition of asset from fixed asset register and ledger;
12. Checked the email communication of Engineers to verify whether assets are ready to use;
13. Performed test of details;
14. Checked Assets with "zero" written down value;
15. Confirmed cost, accumulated depreciation and WDV of asset from fixed asset register;
16. Confirmed closing balance with ledger and draft financial statement.

Asset verification: Like the cash counting, we also performed the physical verification for ensuring the existence of these assets. We checked the assets on sample basis and we did it for inventories as well. It was a great experience for me as it was my first time experiencing all the assets which I have never watched again.

4.3.8 Other audited elements

Rest of the audit elements were audited by other members of our team. They used techniques which are supported by International Auditing Standards (ISA) and the designed audit program developed by us and reviewed by our manager. Overall, our manager was happy with the works done by us and all the working were kept in working file to meet up the requirement of Audit Documentation.

4.3.9 Observation and findings

After conducting and completing all audit procedures relevant to the financial statements, we compiled the audit evidence into a comprehensive report. The collected evidence is then meticulously evaluated and assessed to determine its appropriateness and sufficiency. This evaluation is conducted in comparison to the predetermined materiality threshold, ensuring the evidence aligns with the audit's objectives.

At the end of our audit, we seat with our engagement manager related to our audit findings. Our manager then communicated the findings to our engagement partner, Mr. Muhammad Aminul Hoque, FCA. Our principal provided his valuable instructions regarding the observations and we followed the guidelines.

After that, we seat with the management personnel of Fakhruddin Textile Mills Ltd and discussed about our observations one after another. Client agreed with majority of our observations and gave required adjustments to the financial statements as per the instruction of our engagement manager.

Finally, after a few days, client provided us a final draft financial statements which was prepared and presented after adjustment of those observations.

4.3.10 Ethical consideration

Our team performed the audit by taking into consideration of ethical principles as prescribed by International Federation of Accountants (IFAC). The fundamental principles are integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

During our audit, we performed the audit by strictly maintaining these guidelines.

Integrity: Our team was very honest while conducting the audit. We neither hide any observations nor skipped any part of audit.

Objectivity: We tried our best to behave independently and we did not compromise anything by any pressure from client. We used our best judgment and were free from any undue influence.

Professional competence and due care: Our team was very strong and they believe in continuous learning. They had sound knowledge about assurance, accounting, taxation, relevant standards etc. Moreover, every work was done with due care. Even the working files were completed after the review of our engagement manager.

Confidentiality: As an accountant, it is important to respect client's confidentiality. Unless any legal obligation, an accountant should not discuss or disclose any information of client without any prior permission. During our audit, we also keep the utmost confidentiality of client's information. We also ensured the safety of our working files.

Professional behavior: We ensured utmost professionalism while conducting the audit. Our team was very concerned about the reputation of ACNABIN Chartered Accountant and we did not behave in such way which could have discredit our profession.

Chapter 5: Findings and conclusion

5.1 Compliance check

The Audit team performed their task effectively and ensured compliance of International Auditing Standards. During our audit, we ensured adherence with the following key aspects:

Point of compliance	Reference of standard	Status of compliance
Quality control	ISQC 1	Complied
Audit documentation	ISA 230	Complied
Communication with those charged with governance	ISA 260	Complied
Planning an audit of F/S	ISA 300	Complied
Identifying and assessing risks of material misstatement through understanding the entity and its environment	ISA 315	Complied
Materiality in planning and performing an audit	ISA 320	Complied
Audit evidence	ISA 500	Complied
External confirmation	ISA 505	Complied
Analytical procedure	ISA 520	Complied
Audit sampling	ISA 530	Complied
Subsequent event	ISA 560	Complied
The auditors report on F/S	ISA 700	Complied

Table 4: Compliance test

5.2 Limitation

While auditing in Fakhruddin Textile Mills Ltd, we faced a lot of limitation for which we faced challenges in completing the audit in a planned manner. We tried our best to mitigate these limitations through robust audit planning, risk assessment, and adherence to professional standards, but complete elimination of these constraints was not possible.

5.2.1 Time and cost constraints

Finishing an audit in a timely manner is always a challenge. We got only 1 month to complete the audit however the transactions of the company were too many. It hinders the auditor to work deeply and analyze more and more.

5.2.2 Delay in providing documents

It is a common problem in the field of auditing as the client sometimes deliberately provide the document lately so that auditor could not find out the errors of management or not able to find out any material misstatements.

5.2.3 Expectation gap

Although we shared engagement letter before the commencement of the audit describing our scope of work, mentioning responsibilities from our end but in practical management expected from us to find out every error of their company which creates expectation gap between the auditor and management. In case of not discovering any mistakes before the management, they sometimes inquired us why did not we discover it earlier.

5.2.4 Delay in work in absence for audit software

ACNABIN does not have any audit software like other big 4 audit firms for which it consumed a lot of time of us to prepare the top sheets, schedules and other documents. In case of presence of audit software, a predetermined format remains available which might save a lot of time for the audit team. Moreover, analytical tools like ratio analysis, horizontal analysis, vertical analysis can be easily done by the help of an audit software. If this problem cannot be eradicated, we may lose competitive advantage in the near future.

5.2.5 Insufficient training sessions held for article students

Insufficient training sessions for article students at ACNABIN Chartered Accountants pose significant challenges to their professional growth and the overall quality of work. Training sessions are crucial for equipping students with the practical knowledge and technical skills required to excel in auditing, accounting, and compliance tasks. Without adequate training, students may struggle to understand complex concepts, leading to reduced confidence and errors in their work. This not only affects their personal development but also undermines the firm’s reputation for delivering high-quality services.

Moreover, the lack of structured training can result in lower engagement and higher attrition rates among students, further impacting the firm's productivity and ability to groom future professionals. Addressing this issue promptly is essential to maintain the standards of excellence the firm upholds.

5.3 Recommendation

To overcome the challenges of completing audits within tight deadlines, here are some recommendations I would like to discuss:

- ACNABIN should allocate additional human resources to manage workload efficiently during audits with high transaction volumes;
- Auditor should develop e detail audit plan to break down tasks into smaller milestones, assigning deadlines to ensure timely progress and regularly monitor the timeline to identify and resolve potential bottlenecks;
- ACNABIN should invest in audit software to automate routine tasks, reducing time spent on manual processes. They should acquire a robust audit software solution to streamline processes such as top-sheet preparation, scheduling, and data analysis;
- Then conducting a training session for team members to maximize the benefits of new software;
- Auditors should regularly communicate the deadlines for documentation and in case of intentional delay of providing documents, they should take necessary actions by informing engagement manager about the problem;
- Audit team should arrange regular meetings with management during the audit process to explain findings and address expectations;
- ACNABIN should run trial audits using the software to adapt and customize its use for the firm's specific needs;
- To enhance the training and development of article students;
- Develop a comprehensive curriculum covering technical skills, regulatory updates, and auditing practices;
- Periodic assessments for the article student in order to evaluate students' progress through tests and performance reviews, identifying areas for improvement.

5.4 Conclusion

Auditors require to maintain standards and procedures in conducting audit. International standards on auditing provides basic guidelines that chartered accountants need to adopt. Apart from audit procedures provided by international standards on auditing (ISAs), every chartered accountancy firm has some discretion in their audit procedures depending upon the situation of the respective country and nature of clients.

After analyzing the findings, we compiled the audit evidence into a report following the completion of all relevant audit procedures related to the financial statements. The gathered evidence was subsequently evaluated, assessed, and examined to determine its appropriateness and sufficiency. This evaluation was performed in comparison to the predetermined materiality thresholds to ensure compliance with audit objectives.

The audit procedures of ACNABIN Chartered Accountants, as applied during the audit of Fakhruddin Textile Mills Ltd., were thoroughly analyzed. The audit team assessed various categories of material misstatement risks and conducted a detailed evaluation of the company’s internal control activities to ensure compliance with audit standards and to identify potential areas of concern.

The recommendations have been outlined with a primary focus on enhancing future audit procedures through the integration of technology. This approach is expected to play a critical role in optimizing audit efficiency and addressing the evolving needs of the textile sector.

Last but not the least, I tried my best to present the audit procedures followed by ACNABIN Chartered Accountants. While conducting audit, ACNABIN follows the audit procedures set by ICAB in most cases except for area that requires professional judgment. From my working experiences in ACNABIN, I noticed that in some respects, ACNABIN mostly follows the standard of audit procedures.

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