Insights into Auditing Practices in Bangladesh: An Internship Perspective from Bata Corporation

Md. Abrar Adib Rahman
19104073

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

5 April 2026

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:

____

Md Abrar Adib Rahman

19104073

Supervisor's Full Name & Signature:

____

Nitai Chandra Debnath

Associate Professor, BRAC Business School

Brac University

Letter of Transmittal

5 April 2026

Dr. Nitai Chandra Debnath
Associate Professor
BRAC Business School
BRAC University
Kha-224 Merul Badda, Dhaka 1212

Subject: Submission of Internship Report on Bata Corporation Bangladesh

Dear Sir
With utmost respect, I am submitting my Internship report on "**Bata Shoe Company (Bangladesh) Limited".** This report presents everything that I have learned during my internship period in Bata Bangladesh and pursuing my BBA Program at BRAC Business School. It is my most humble request that you accept my report. I hope that this report is up to par according to you. I am apologizing for any unwanted errors, defects, deficits or shortcomings in the report.

I therefore hope that, you accept my report and the report is up to your expectations.

Sincerely

____

Md. Abrar Adib Rahman
ID No. 19104073
BRAC Business School
BRAC University

Non-Disclosure Agreement

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

This agreement is made and entered into by and between **Bata Shoe Company (Bangladesh) Limited** and Md. Abrar Adib Rahman (19104073) of BRAC University.

Bata

November 6, 2024

Md. Abrar Adib Rahman
Mirpur, Dhaka.

Internship Offer Letter

With reference to your application and the subsequent interview you had with us, we are pleased to offer you **Internship** in our **Finance Department** to be based at Tongi for **3 (three) months** w.e.f **November 6,2024**.

During the internship period, you will get honorarium of **TK. 8000/- (Eight Thousands Taka)** per month.

Please join us on November 6, 2024 at 8.30 am at our office located at:

Bata Shoe Company (Bangladesh) Ltd.
Tongi, Gazipur, Bangladesh

At the time of joining, Please carry photocopies and original (for verification only) of the documents as per list enclosed in Annexure I.

You are requested to sign the duplicate of this letter as a token of your acceptance.

With best wishes,
Yours truly

BATA SHOE CO. (BANGLADESH) LTD.

Malik Mehedi Kabir
Human Resources Director

I confirm acceptance of internship on the above terms and conditions.

Abrar Adib

Md. Abrar Adib Rahman

Bata Shoe Company (Bangladesh) Limited | Tongi, Gazipur-1710 | Bangladesh | Phone: +88 02 9810501-5
Fax : +88 02 9810511 | E-mail : bd.bata518@bata.com | www.batabd.com

Acknowledgement

To begin with, I would like to thank The Almighty Allah for giving me this opportunity to complete my BBA program in a fine institution like BRAC University and for giving me the opportunity to do my internship in Bata Bangladesh, one to the leading multinational companies in the country. I am also very grateful to my Parents, without them it would be very difficult to complete my journey to graduation. And finally, my respected Sirs and Madams of my university has made my journey into the vast ocean of knowledge complete and productive. I also would like to thank Dr. Nitai Chandra Debnath Sir for being helpful and supporting me throughout the internship period and letting me to prepare and submit my report remaining in my comfort zone. His inspiration and encouragement have given me the enthusiasm and independence and his guidance was very much critical for assisting me finishing my internship report. My most humble thanks goes to everyone at Bata Corporation Bangladesh.

Chapter 1: Overview of Internship

1.1 Student Information:

Name:Md Abrar Adib Rahman

ID: 19104073

Program: Bachelor of Business Administration.

Major: Accounting.

Minor: Finance.

1.2 Internship Information:

1.2.1 Company Details

Duration: 6 November, 2024 – 6 May, 2025.

Company Name: Bata Shoe Company (Bangladesh) Limited

Department: Finance and Administration.

Address: Tongi, Gazipur - 1710, Bangladesh.

1.2.2 Internship Company Supervisor's Information:

Name: Fahatul Islam
Position: Assistant General Manager

1.2.3 Job Scope Job Description/Duties/Responsibilities

1.2.3.1 Job Description:

I had the opportunity to do my internship with Bata Corporation Bangladesh, one of the most eminent companies in the footwear industry, which gave me a lot of benefits integrating with its organization culture, and I really enjoyed it during the internship period.

My job responsibilities also included but were limited to:

- Let the fixing of asset verification audit so that these physical assets are fairly reported and tally with the books of accounts.
- Perform periodic physical inventories and assist in reconciling the discrepancies between physical counts and system data.
- Supervise all fixed asset lifecycle transactions concerning additions, transfers, and disposals as per corporate policies and the relevant accounting standards.
- Evaluating financial data to assist with variance analysis and performance report preparation.
- Keeping accurate financial records at all times and making sure that all expenses are properly classified and allocated in relation to budget categories.
- Assisting in the collection and authentication of financial data for internal and external audits.
- Taking part in departmental internal audits, evaluating current internal controls, and making suggestions for enhancing operational effectiveness.
- VAT 6.5 invoice preparation for retail store operations while maintaining tax compliance

- Cross-functional cooperation on audit, reporting, and fund operation with the accounting and finance teams.

1.2.3.2 Job Responsibilities

Bata's Finance and Administration department selected me for an internship in finance and auditing. It was an honour for me to be able to work with such a company at this early stage of my career. I am thankful for everything; according to my supervisor, every work I was given was a learning opportunity. I learnt from this coursework how business procedures function and how to manage stress and responsibilities. As an intern in finance and audit at Bata, my responsibilities were as follows:

1.2.3.1 Fixed Asset Verification:

The role of the auditors' within fixed asset verification process was taken by the company will include the verification of the existence and nature of the fixed assets of the organisation, all with the goal of ensuring mutual consistency between the two processes above.

1.2.3.2. Physical Inventory Checks & Reconciliation:
Involved in planned stock counts, confirming levels, and identifying and resolving differences between physical stock and system-reported stock. Ensuring they are able to facilitate the best possible optimum inventory accuracy and control.

1.2.3.2.3 Management of Fixed Asset Lifecycle:
Impact of supervision and management of the transaction processes, including addition, transfer, and disposal of fixed assets, in a way that ensures the same activity is done while offering a detail account of the activity without a lack of compliance with the corporate rules.

1.2.3.2.4 Financial Data Analysis and Reporting:

This will engage an examination of financial data to verify proper preparation of reports on performance, and variance analysis will indicate how decisions should be made and plans prepared financially.

1.2.3.2.5 Charges Allocation and Financial Records Keeping:
It is essential to see that expenditures are noted and allocated correctly on budget lines and that

complete and up-to-date financial information is maintained for accuracy in budgeting and reporting.

1.2.3.2.6 Audit Support and Documentation:

Assist in internal and external audits by gathering paperwork and validating financial data, thus ensuring compliance with audit requirements and making sure audits proceeds smoothly.

1.2.3.2.7 Audit and Control Evaluation Internal:

At participating internal audits across departments, review the effectiveness of the existing internal controls, and recommend enhancements toward compliance, risk management, and operational efficiency.

1.2.3.2.8 VAT 6.5 Invoice Preparation:

Prepares the VAT 6.5 invoices for retail store transactions assuring correctness and complete compliance with the governing tax laws and regulations.

1.2.3.2.9 Cross Functional Collaboration:

Works closely with the finance and accounting teams for the audit, reporting, and financial operations initiatives on topics that include accuracy, compliance, and open communication across all departments.

1.3 Internship Outcome:

1.3.1 Student's contribution to the company:

I am taking every opportunity to learn during my internship with Bata as a Finance and Audit Intern. Working in a team, the finance department has a nice working atmosphere, and everyone is supportive. However, I had some of the other responsibilities of the team such as: conducting fixed asset verification audits, physical inventory checks and reconciliation, fixed asset lifecycle management, financial data analysis and reporting, expense allocation and maintenance of financial records, audit support and documentation, internal audit and control evaluation, VAT 6.5 invoice preparation, and cross-functional collaboration. Also, I do assistant to seniors to perform some of their tasks by reminding them about daily activities. In conclusion, I believe I served the organization well.

1.3.2 Benefits to the student

Technically, my internship experience at Bata was so fulfilling and I learned so much. I had the chance to get involved in most of the major areas, particularly relating to hands-on experience from how a company runs its financial operations, thereby giving me a sound understanding of finance functions, especially audit-related tasks. I learned how financial processes are generated and deployed in a corporation. Perhaps one of the most enticing things about this experience was the entire team being enthusiastic and high-spirited. However, the greatest learning curve came from the fact that I had to learn how effective communication and partnerships could work in changing experiences in pursuit of many team-building activities for learning.

Also, I had the good fortune of being in contact with senior managers from an assortment of departments, allowing me important insights on the concepts of leadership and decision-making. Overall, the internship opened a very great vista of finance and auditing, along with laying a very solid foundation for the future career.

1.3.3 Problems/Difficulties (during the internship period)

Bata's Finance and Administration team did provide assistance, but I had some challenges through my internship. Initially, I was alone in the office, being the only intern, and thus felt reclusive, for all of my colleagues were older professionals; slowly, however, I began to feel fear and anxiety, since this was my first exposure to corporate life, all of which I had to contend with for quite a while is logically falling into place and feeling comfortable. It was also a bit difficult to comprehend how all the different parts of the company fit and contribute together, hence it blurred my understanding of the functions department-wise. Aside from the minor challenges, however, my experience at Bata as a whole was really good. The goodwill of the organization serves to promote an even work environment, which has made my time there pleasurable and enriching.

1.3.4 Recommendations

Bangladesh's Bata Corporation has a thriving shoe business of its own. The company's employees are eager to create a culture that prioritises teamwork. My sincere gratitude to Bata for providing me with the chance to collaborate with them remains here. Since Bata's finance department was my first internship program, I had the opportunity to work with a very supportive team during this internship. It was a great experience that gave me practical skills that will help me advance in my career.

One recommendation that should go to management is to allow the other interns some more time. They would gain a greater understanding of how other sectors run within the company. Nevertheless, I had a wonderful time at Bata. I gained a lot, and all individuals I met, right from the workers to the directors, were amicable and gracious.

2.1 Introduction

With more than 125 years of rich history, Bata Corporation, which started its amazing adventure in 1894 at Zlín, Czech Republic, under the Bata Shoe Organisation, has grown to become a global leader in the footwear and fashion accessory industries. In the shoe industry, the brand is regarded as one of the most genuine and well-known. The brand serves millions of customers every day through its operations in more than 70 countries, including its corporate headquarters, production facilities, and retail locations. Based on the criteria of Quality, Affordability, Innovation, and Commitment to Corporate Social Responsibilities, consumers successfully identify the brand.

Long ago, in 1962, Bata Shoe Company (Bangladesh) Limited was established in Bangladesh. The company has grown to become one of the biggest and most well-known producers of shoes in the nation. Bata Shoe Company (Bangladesh) Ltd. can provide a large range of men's, women's, and children's products to customers in both urban and rural locations thanks to its vast retail network. The corporation employs thousands of people nationwide and operates significant production facilities in Tongi and Dhamrai. Bata Bangladesh is known for using ethical business practices to produce high-quality products while also making significant contributions to the nation's economy and workforce development.

Figure 01: Bata Headquarters in Lausanne, Switzerland **Figure 02:** Bata Green Factory Dhamrai Dhaka, Bangladesh

2.2 Overview of Bata and Bata Bangladesh

With footprints almost all over the world, Bata Corporation was founded in 1894 in Zlín, Czech Republic, as a brand of shoes and fashion accessories. The Bata brand has now established its presence in over 70 countries and is being well recognized for manufacturing long-lasting yet cheap footwear. The company is equally renowned for its innovativeness and good business conscience. It remains today one of the globally most trusted and most recognized names in footwear, servicing millions of clients across the globe (Bata Shoe Organization, n.d.; Wikipedia contributors, n.d.).

Bata Corporation, a Bangladeshi offshoot of the international brand, started off in 1962. Since then, it has become one of the most immensely popular and highly established footwear producers and traders in the country. Bata Bangladesh has also made its contributions to the economy by maintaining factories in Tongi and Dhamrai and by running an extensive retail and distribution network. Besides manufacturing quality footwear, the company is known for its ethical business practices and active involvement in industrial development, which includes job creation and catering to the various demands of consumers throughout the country (Bata Shoe Company (Bangladesh) Ltd., n.d.).

2.2.1 Mision, Vision of Bata Corporation Bangladesh

Mission:

- To help people look and feel good.
- To be the customer's destination of choice.
- To attract and retain the best people.
- To remain the most respected footwear company.

Vision:

- To make great shoes accessible for everyone.

Values:

Our products ensure that our customers look good and feel great. We have become our customers' first choice by providing a bespoke shopping experience to nurture long-term customer relationships. Therefore, the following three values are deeply imbibed in our mode of conduct in Bata:

2.3 Management Practices

Leadership effectiveness is mostly measured in terms of the ability of a leader to constantly solicit and gradually move his or her group toward a common goal (Bhatti et al., 2012). The leader's role in reaching organizational goals becomes crucial by rendering clear vision, managing workers, devising strategies, and fostering motivation. Organizations apply various leadership styles according to their culture and human characteristics of employees. Some relevant leadership styles include these:

Autocratic Leadership:
Authoritarianness denotes leadership that makes decisions unilaterally, with little or no participation from subordinates (Ardichvili & Kuchenke 2010; Egwunyenga 2010). This breeds an environment of hierarchy with the leader controlling and keeping a distance from the other members. Such firms were described by Baughman (2008) to have coercive leadership, where worker's ideas were sought but rarely acted upon.

Democratic Leadership:

These leaders should project an image of being the ultimate authority to make decisions on their own after conducting legitimate consultations with all team members. This is an example where the details in theory diverge from practice. When it comes to improving job happiness and professional diplomacy among employees who are inclined to participate when encouraged, this strategy might be advantageous. Bhatti et al. (2012) state as much.

Participative Leadership:

The inclusive strategy of truly involving team members in problem-solving and decision-making is chosen by participative leaders. According to Kahai et al. (1997), this strategy increases mutual trust and involvement. Additionally, according to Newman et al. (2016), participative leaders should foster a psychologically safe environment where workers can be motivated and eventually encouraged to voluntarily engage in the organization's operational decisions.

Laissez-Faire Leadership:

This style of leadership is such that leaders do not involve themselves at all; thereby giving employees independence in deciding as well as writing their own objectives (Sharma, 2013). Laissez-faire leaders do less of monitoring or communication; they are thus deemed to be available for guidance when allowed. According to Eagly et al. (2003), this approach allows team members to exercise self-direction, but the success of this approach depends on whether the workforce is able and ready.

In my perspective, Bata Corporation Bangladesh works mostly with the integration of democracy and participative leadership. A hybrid approach, which symbolizes the company's determination towards working for employee engagement through an open system of communication and supportive leadership, will also successfully achieve the organizational objectives. While the strategic decisions are often led by top executives who have the whole picture of the organization, involvement of the employees is welcomed. This thereby creates an environment that supports innovation and creativity for the organization making it a fast-paced and collaborative work environment.

2.3.2 Recruitment and Selection Process:

Recruitment and selection are fundamental focal points of human resource management geared toward aligning the capabilities of the working population with the strategic aims of the employer and the organization at large. Recruitment and selection include the processes of identification, screening, shortlisting, and final selection of the most appropriate candidates for the job openings (Kapur, 2018).

In-house hiring (internal recruitment) or hiring from outsiders is the policy of the organization's choice. Some of the internal factors affecting recruitment are the size of the organization, policy of recruitment, image of the recruiting company, and perception on the job roles. On the other hand, some external factors which form the landscape of recruitment are the conditions of the labor market, competition, laws and regulations concerning labor, rates of unemployment, and demographic trends (Kapur, 2018).

In ensuring the right fit, candidates of varying capabilities are selected through several stages of analysis and evaluation either when applying from an external applicant pool or through internal temporary staff. The Human Resource department is the overall facilitator of this process by advertising job vacancies on employment portals and through reference checking from current employees, although the latter may have a strong influence on most hiring decisions. The company recruits across functions such as marketing, sales, HR, information systems, and executive, non-executive, field, and lower through upper management.

Bata Corporation Bangladesh follows a systematic yet rigorous selection process, particularly for top-level candidates. Most applicants need to undergo a written test followed by two rounds of interviews. While assessing candidates' work experience, the panel also evaluates candidates' mental and psychological fitness during the same evaluation. Transparency in the process is observed through contacting shortlisted candidates on time by HR through cell phones or emails.

Bata Corporation Bangladesh endeavors to maintain a culture of excellence whilst carefully screening applicants and selecting the best among them. It emphasizes fairness and equity with candidates because all types of potential candidates should get equal access to activities organized in the recruitment process.

2.4 Marketing Practices:

It is the marketing process that offers strategies and sets of institutions for creating, communicating, delivering, and exchanging offers that have value for customers, partners, and society (AMA, 2017). For creating an organization's public illusion and projecting core values, marketing has been and still is a very important tool to open and shape consumer demand for its product.

From what I saw, the Bata Corporation Bangladesh runs on a well-structured manner through various functional departments responsible for carrying out its business overall. Of these departments, the marketing department is concerned with aligning the firm brand with customer expectations and delivering value consistently. The sections below will highlight the key functions these departments perform in keeping Bata competitive in the footwear market.

2.4.1 Brand Marketing Department

Branding is establishing a distinctive perception of your product or service in the eyes of consumers is how you set yourself apart from your rivals. Brand value is the amount of incremental earnings that a product generates because it is associated with a certain brand, and it creates value for the company. (Calderon, H., Cervera, A. and Molla, A, 1997)

The Brand Marketing department is primarily engaged in carrying out these activities so that branding companies gain recognition before a wider range of audiences. The team builds and safeguards the image of the Bata brand. They all work on the same voice behind each campaign, whether it appears on television, social media, or in-store. Everything you can think of from designing powerful in-store graphics to organizing seasonal marketing campaigns keeps the brand alive and kicking in a vibrant world.

2.4.2 Digital Marketing and Influencer Collaborations

Another team formed is of Digital Marketing personnel. The team is with Shikho Technologies bangladesh Ltd. Digital marketing is the promotion of products or services via digital technology, mostly on the Internet but also by mobile phones, display advertising and any other digital medium. (Desai, 2019).

By identifying the growing strength of online platforms, this team invests heavily in online marketing. With the help of top and emerging influencers and fashion bloggers, the company runs many creative advertising campaigns on Facebook and Instagram. This makes the brand appear fresh and relatable to audiences and connects with younger audiences, engaging them beyond typical ads.

In fact, they have invested heavily in advertising campaigns using well-known and emerging influencers and fashion bloggers through social media channels such as Facebook or Instagram. The intent behind this is to present the brand in a way that is more relatable and current. The technique is also effective in younger audiences and complements engagement beyond the confines of traditional advertisements.

2.4.3 Retail Strategy and Distribution

Working in close cooperation with Retail Operations puts marketing in a better position to ensure that customers can find what they need when they need it. They segment stores in terms of location and customer demographics, so as to define an assortment of products and marketing approach for each geographic area. This strategy allows Bata to cater to the heterogeneous needs of customers across urban and rural Bangladesh.

2.4.4 Promotional Activities and Advertising

This has been the best way to maintain the visibility of a brand: through promotions and advertising campaigns. Advertising through billboards, seasonal discount schemes, sponsoring events, or preparing festival packages, the marketing team is constantly bringing Bata to the extent of being partially considered a household name. Their integrated communication efforts attract new customers and also reward loyal ones.

2.4.3 Details of the product lines or services

Bata Company is a manufacturer of the largest footwear in the world by volume, selling 1 million shoes daily and having many different items of their different products, which is mainly based on footwear, clothing, and accessories. For the footwear of Bata, they have categorized their products into three different sectors, like men, women, and kids. They have different items for men, women, and kids as well.

Items for men include formal shoes, casual shoes, sandals, and so on. For women, they also have formal shoes, stylish sandals, etc. They have also categorized kid's items into two different sectors like boys and girls. Shoes, sandals, and sports shoes are available for both boys and girls.

In accessories, they have brought ladies' bags, men's bags, shades, school bags for kids, etc. Not only this, but they also made some products that can be used by both men and women like, rather, " walking footwear ", which can be used by both. In recent times, they have attracted one of their specific group of customers by bringing in a new item, "High cut PU injection waterproof industrial safety footwear," which, along with their another new innovation item "Footwear Phylon," also caught customers' eyes on it.

Bata has been bringing innovations with new ideas to design shoes for its customers, just to lure even more customers globally.

Some of Bata products include:

Ambassador

A premium line of formal footwear for men, it is recognized by the elegant design, comfort, and durability ideal for professionals or formal occasions.

Comfit

It is built exclusively for comfort. These shoes are made even with ergonomic soles and soft materials, perfect for everyday wear and people that are always on the go.

Marie Claire

This fashionable brand focuses on women and caters to their footwear needs, from invitingly casual to strictly formal.

Hush Puppies

The continental comfort brand within the Bangladesh industry of Bata tagged as having the elegance of casual posturing together with total comfort.

Power

Performance-driven footwear for running, walking, gym, and lifestyle purposes forms the lineup of footwear under this brand.

North Star

For youth lifestyls, bold and trendy sneakers and casual footwear are offered to a fashionble generation.

PataPata

This is a popoular range of flip-flops and sandals within the market that is known for its vibrant desaigns and beach-inspired comfort.

Sandak

Stylish & functional sandals for the women of today, combining comfort and a modern aesthetic.

Scholl

Known for orthopaedic and medical-grade shoes, Scholl products are created for foot care-understanding such things as posture and comfort.

Sunst

A relaxed, seasonal line of shoes, usually summer-focused with lightweight, airy designs.

Weinbrenner

Raw and tough outdoor shoes, made for hiking and trekking and other adventurous activities.

Worldwide sports brands have lined up under Bata Shoe Company (Bangladesh) Ltd. for retailing purposes, with Adidas and Nike at the head of the queue.

Nike:

Bata Bangladesh is an authorized distributor for Nike products in the country. These products are sold through specified sections in Bata Boutiques, such as the "B-Sneakers" showroom, which is typecast for imported athletic footwear.

Adidas:

Bata Bangladesh stocks various Adidas products through its retail outlets. This can also be accessed through the Bata official website, showing a partnership in bringing Adidas footwear to the Bangladesh market. (Bata Shoe Company Bangladesh, n.d.)

Price:

The price of Bata products has been affordable among customers since the very beginning of Bata's establishment. Prices are set by Bata supported by the reputation that it has maintained, making them affordable to all categories of people from lower-income to higher-income earners. Bata maintains different price ranges for its different products such that individuals can buy based on their ability and this is one of the reasons for its success. This is how Bata has been grabbing the market share.

Durable:

Bata is well known worldwide for the durability of its products. From the conversations I had with several people, I learned that one of their reasons for being so fond of Bata has been the durability of its products. Although people used to say that Bata is not good at bringing up new designed products, the durability of their products is just incredible. But over the years Bata has been progressing with trendy and good-looking designs for shoes and sandals for men, women, and kids.

Location:

Now that customers can easily access their desired products, owing to the presence of a huge number of outlets of Bata across the country. They have several outlets in all divisions and almost all districts of the country. This makes things very easy for their customers. Their market statistics show that they have about 261 outlets across the whole country. In fact, they have a branch almost in all the prime locations in Dhaka city.

2.5.1 Financial Practices:

2.5.2 Accounting Practices:

2.6 Operations Management and Information System Practices

Within the context of any organization, activities - efficient operations management and the application of information technology at the strategic level - form the major part of productivity drivers and sustainable growth. Operations management is optimal in terms of creating a direct effect on the organization's revenue generation through cost-effective production and service delivery.

An organization like Bata Corporation Bangladesh is a very good example of the combining principles of operations management and information systems to enhance total organizational performance. Integration by creating user-friendly processes and means of communication as well as enabling the use of data in decision-making enhances good operational flow within the different departments. The following section entails how each department at Bata makes meaningful use of these systems in relation to achieving operational goals and maintaining the reputation of the company for quality and reliability.

2.6.1 Human Resource department:

At Bata Corporation Bangladesh, human resources use information systems through their departments in the global scene. These have been going on in-house under a variety of processes such as tracking the attendance of the employees, incentive distribution, and payroll provisioning through information systems. By going high-tech and digital, most of the functions done by this division retain operational efficiencies while maintaining transparency and pursuing timely completion in the activities related to employees.

2.6.2 Production team:

Manufacturing

For Tomas Bata, an autarky model was to industrialize the shoe-making capacity, such an innovation helped Bata Shoe Company become one of the world's foremost manufacturing and marketing companies in shoes.

Innovation in the shoe-making process gives a competitive edge to Bata. Wonderful advancements done in DVP (Direct Vulcanization process), PVC (Poly vinyl Chloride) into the manufacturing process, and introduction of athletic and slush-molded footwear gave a real establishment to Bata as a unique footwear brand. Bata Shoe Company (Bangladesh) Limited has two manufacturing plants. Dhamrai Plant- Leather products. Tongi plant- Rubber items.

Wholesale

Bata Shoe Company (Bangladesh) Limited has 13 depots throughout the country. Out of those, 7 are in the East Zone and 6 in the West Zone. Depot under the East Zone includes Dhaka 1, Dhaka 2, Mymensingh, Rajshahi, Dinajpur, Bogra, and Ishurdi. However, the West Zone consists of Chittagong, Sylhet, Comilla, Khulna, Barisal, and Faaridpur.

The wholesale function is carried out by the dealers, and there are two categories of dealers: DSP and RWD. A DSP dealer usually sells Bata Shoes and its accessories in the location where Bata does not have any retail store. Their business is conducted in small towns. However RWD sells Bata Shoes alongside those of other brands. Both DSP and REWD buy Bata Shoes at commission. They are given a certain target to achieve. If they are successful in reaching the target, they enjoy incentives. All round the year, incentives are given to them in three segments that include a Quarterly Wholesale function conducted by Dealers. They are two categories of dealers. DSP (Dealer Sales Program) and RWD (Registered Wholesale Dealers). A DSP dealer usually sells Bata Shoes and its accessories in the location where Bata does not have any retail store. Their business is conducted in small towns. However RWD sells Bata Shoes alongside shoes of other brands. Both DSP and REWD buy Bata Shoes at commission. They are given a certain target to achieve. If they are successful in reaching the target, they enjoy incentives.

All round the year, incentives are given to them three-fold in three segments that include quarterly benefits, yearly benefits, and monthly incentives. Business volume and growth define whether dealers are VIPs, VVIPs, or VVIP+. An operation manager has been appointed in each zone. Currently, the east zone contributes Dhamrai Plant- Leather products. Tongi plant- Rubber items.

Retail

The limited operation of Bata Shoe Company (Bangladesh) Limited within the borders of Bangladesh is 227 stores. The Bata Shoe Company which has been operating is identified as the only company with such a large number of shoe stores in Bangladesh. Bata has framed up its retail stores successfully as it can identify customers' preferences and tastes like none other shoes company.

Each store is distinct from the others. Generally, there are three types of stores. They are City Stores, Family Store, and Clearance Outlets. The primary aim of City Stores is to catch high profile customers along with regular customers. The latest and updated merchandises of all classes of products including footwear, non-footwear accessories like belt, bags, shoe care accessories, etc. are offered in City. City. The largest city store in Bangladesh is Bata City Store.

Bata Family Store welcomes mass consumers; from mid-level-income holders downwards, Bata has many shoes and other accessories to offer for them. Interesting fact about these categorized stores is there are certain merchandise which are offered in City stores but not offered in family stores in general. Reason behind that is the target customer group, their preference and income level.

Bata clearance stores serve a variety of purposes. Although all shoes get through quality checks, it is normal to have a few defective ones. These are collected into the Bata Clearance outlets and sold at much higher discounts. Shoes or accessories, which pass the threshold of 12 months, are declassified from being supplied to retail stores. Those too are brought to Clearance outlets and sold.

E-Commerce

Bata Bangladesh opened this new sales channel by signing a contract with a 3rd party e-commerce site, Daraz.com, to further its omnichannel brand development, which continued with Bata setting up its own platform-www.batabd.com on 26th February, 2016. Besides Bata's online site (Batabd.Com, it does business with four other E-Commerce Vendors named Kiksha.Com.

Ajkerdeal, Daraz.com and Bagdoom. The primary aim for introducing E-Commerce sales channel is identified with the development of Bata Shoe Company (Bangladesh) Limited to become an Omni-channel brand and present several shopping channels for the customers.

Customer Service Customer service center: For the best interest of Bata customers, they have their own customer service center so that any of their customers might need help regarding anything; they can take it up with the customer service center. Personalized service. Customers can order their products by either online or by call center; staff of Bata from Bata Shoe Company will ensure delivery of the goods at the exact location of the customer address.

2.7 Industry and competitive analysis

Carrying out a comprehensive Porter's Five Forces analysis is essential to evaluate the industry's competitiveness for an organization. Then SWOT analysis for the organization before relying on such competitive advantage determination through an internal examination of the strengths, weaknesses, opportunities, and threats that organizations have.

2.7.1. Porter’s Five Forces analysis for Bata Bangladesh

Porter's Five Forces focus on the existing competitors, the entry threat of new competitors, the buyer power and supplier power, and the available substitutes. The main objective of this was to bring out the relevance of external factors in shaping one's organizational strategy (Bruijl, Gerard, 2018). This model enables organizations to identify and analyze the defining competitive forces at play in their industry.

Insights into the competitive scenario of competition in Bata Corporation Bangladesh, in order to better understand market positioning and strategic responses to external environmental factors.

Figure: Porter’s five forces model

1. The threat of new entrants:

The threat level new entrants can enter the Bangladeshi footwear market ranges from moderate to high. Digital platforms and cheaper manufacturing have reduced some barriers for new entrants, but redevelopment brand reputation, strong local production facilities, and extensive distribution channels serve as important barriers to entry. To manufacture a new player that wants to compete with Bata, investment should go forward to achieve a highly comparable market presence and customers' trust.

2. Bargaining power of buyers:

In context of Bangladesh, the mass people have a lot of negotiating power due the huge variety of options and price ranges. The customers are in a stronger position due to online shopping options which helps people to get informed about the prices according to the brands and qualities. As a result, consumers can be sure who the choose to buy from. Bata is using this as an advantage by maintaining competitive pricing, best quality and design and meeting customer demands.

3. Threat of substitute products:

The threat of substitute products, on the other hand, stands at moderate levels. Unbranded or local footwear brands and inexpensive imports, even secondhand shoes, may become options for many consumers, who are, particularly those with budget constraints or who prefer niche products. This is why by concentrating on product quality, comfort aspects, such as the COMFIT line, and a strong after-sales support, Bata mitigates that threat as well, strengthening customer preference for the brand.

4. Bargaining power of suppliers:

Suppliers have a moderate degree of power in this market environment. Bata is known both locally and internationally for its raw materials, including leather and synthetic materials. Any change in duties levied on imports or any disruption in supply chains will affect the cost of procurement and availability. However, Bata has been able to moderate this effect through its long-established relationship with the suppliers where moderate negotiation terms have been achieved.

5. Rivalry amongst existing players:

Intense rivalry using footwear brands in Bangladesh is established. Bata takes on both local players like Apex and Bay, as well as international names like Lotto. Price variations, product features and design, and marketing initiatives all include an aspect of competition. However, even in this heavily crowded market, Bata's long presence in the market, insured by well-established retail presence and multi-faceted assortment of products, is an advantage. However, the major concern should continuously be innovations and responsiveness against market trends.

2.7.2. SWOT Analysis for Bata Corporation Bangladesh

SWOT analysis is a strategic tool that represents strengths, weaknesses, opportunities, and threats useful in assessing the competitive position of an organization and its overall standing in the market (Teoli et al., 2022). The concept was first invented by Albert Humphrey in the 1960s and provides insights into both the internal and external factors that may drag or propel any organization to success.

Through SWOT analysis, Bata Corporation Bangladesh can best exploit its strengths while working to improve weakness, explore emerging opportunities, and guard against threats. This provides a stepping stone towards assessing the situation of the company before a major strategic decision is undertaken.

A thorough SWOT analysis of Bata Corporation Bangladesh is presented in the table below.

Strengths	**Weakness**
• Loyal customers • Potential target market • Skilled management team • High brand image • Quality products	• Not much promotional activities. • High cost structure • Import duties are high • Not that much effort is provided to attract a new group of customers.

Opportunities	Threats
- Rise in export - Online selling service - Modernizing stores	- Disruption of consistent supply. - High price of high production cost. - Other rival local brands are also out there which a threat is.

Strengths:

Brand Loyalty

Bata's reputation since 1962 in Bangladesh is that of a trusted and durable economical product that shapes very favorable consumer perception which strengthens the market position of Bata vis- a-vis its competitors in the footwear industry. Such loyalty from customers not only ensures a steady revenue stream for the company, but also adds to promoting the brand among future customers, which impacts the brand positively concerning its future in the marketplace.

Potential Target Market

The company operates in a customer market that is growing in size and diversity, ranging from urban middle classes upward through the segments of rural populations. This gives Bata opportunities to diversify products targeted to different classes of demand, to fulfill unmet demand, and to introduce new products which will attract fast-evolving preferences from new classes of customers.

Management Skills

Bata Bangladesh has an experienced and competent management team that is aware of both the realities of the home business and global market trends. In order to help the market overcome its challenges and continue to function effectively, the management group makes decisions that are carried out by the talents.

Brand Image

Bata, since 1962 in Bangladesh, has a stellar amount of brand equity siginifying trust, durability, and economy, which promotes the brand into such iconic status that molds consumar perception and subsequently strengthens its position against its competitors in the footwear industry.

Quality

Bata Bangladesh, inded, is renowned for maintaining the highest standrds of manufacturing. Its products satisfy the customer requirements of comfort, design, and durability. Quality, in this respect, has been given high priority and has played a major role in providing long-term customer satisfaction and continued business.

Weaknesses:

Limited Promotional Activities

Although Bata is a well-off brand, its comparatively low-key image and marketing in Bangladesh compared to the competitors may spur its inability to connect with today's youth and secure further branding in any new consumer segment.

High-cost Structure

Bata Bangladesh is burdened by above-average business costs resulting from an operational size on a major scale of manufacturing and job provisions. These costs shrink the profit margin and limit the flexibility of pricing in an extremely price-sensitive market.

High import duties

Some exports of Bata's raw material and specialised components may have to be imported, which puts the company in a disadvantageous position with respect to high import duties and fluctuating exchange rates. These two factors increase production costs and eventually product price, putting pressure on its competitiveness.

Limited Efforts to Attract New Customer Segments

Although Bata has a loyal following, it has not given fierce efforts to attract new or niche customer groups such as best-dressed youth and eco-friendly consumers. This indifferent insistence on expansion may cause the brand to miss out on evolving market trends and emerging demographic targets.

Opportunities:

Increase in Exports

With a higher export rate, Bata Bangladesh has a good possibility of increasing its market share abroad. Entering the export market with well-established production facilities and a reputation for creating high-quality goods may increase revenues, improve income, diversify the business, and lessen reliance on the domestic market.

Online Selling Service

Another significant possibility for Bata to grow its online business is the growth of e-commerce. In the fiercely competitive world of online sales, a very aggressive marketing strategy will introduce it to a wider audience and undoubtedly guarantee more ease for its customers.

Modernizing Stores

Modernising and renovating current stores across all locations would significantly improve the overall consumer experience. More foot traffic and sales would result from the contemporary atmosphere and design arrangement, which would appeal to the younger generation and reflect the expansion of their brand.

Threats:

Disruption of Consistent Supply

Owing to the importation of raw materials, supply chain acts reasonably in favour of a disruption, which leads to transportation chances and global skepticism. The other way round, any disruption in the supply chain will affect production timelines, inventory availability, and functional efficiency overall.

Due to increased production costs, such as labor, raw materials, and import duties, the price at which Bata sells products may be uncompetitive within the price-sensitive Bangladeshi market.

This poses a high risk of losing its market again to a brand that is capable of offering similar products at lower prices.

Increasing Competition by Local Brands

In order to meet the needs of the local market, local brands are progressively establishing themselves in the industry of producing stylish yet reasonably priced goods Bata faces challenges due to current growing competition by local competitors which motivates Bata BD to overcome all challenges, keep up with sustainable development and growth.

2.8 Financial Analysis

Bata Shoe Company Bangladesh Limited
Profit and Loss Statement
For each year ended December 31

Particulars (In Million BDT)	***2020***	***2021***	***2022***	***2023***	***2024***
Revenue	**5,085**	**7,745**	**9,855**	**9,878**	**9,275**
Cost of sales	(3,820)	(4,927)	(5,546)	(5,342)	-4,900
Gross profit	**1,265**	**2,818**	**4,309**	**4,536**	**4,375**
Exchange Gain/(Loss)	-12.31	0	0	0	0
Other income/(Loss)	0	16.71	45.40	(27.91)	7
Operating expenses	(2,678)	(2,653)	(3,277)	(3,637)	-3,609
Reversal of impairment loss on trade receivables	0	3.19	1.19	5.43	2
Operating profit	**(1,425)**	**185**	**1,079**	**876**	**776**
Finance income	19.6	20.2	48.1	94.1	51
Finance costs	(190)	(154)	(264)	(174)	-245
Net finance costs	(170)	(134)	(216)	(80)	-194
Profit before tax and contribution to WPPF	(1,595)	50.8	863	796	582
Contribution to WPPF	0	(2.5)	(43.1)	(39.8)	-29
Profit/(Loss) before tax	(1,595)	48.3	820	756	553
Income tax Refundable / (expense)	269	(117)	(410)	(355)	-257
Profit/(loss) for the year	**-1,326**	**-68**	**410**	**401**	**296**
Other comprehensive loss, net of tax	3.22	(37.72)	(22.56)	(0.63)	71
Total comprehensive income/(loss)	(1,323)	(106)	388	400	367
Earnings per share (in BDT)	**(96.94)**	**-5.01**	**29.98**	**29.31**	**21.62**

Bata Shoe Company Bangladesh Limited

Statement of Financial Position
As on 31 December

Balance Sheet (in Millions)	*2020*	*2021*	*2022*	*2023*	*2024*
ASSETS					
Non-current assets:					
Property, plant and equipment	955	856	889	1,053	1,033
Right-of-use asset (ROU), net	1,499	1,459	1,684	2,159	2,125
Intangible Assets	0	0	0	0.78	27
Advances, deposits and repayments	0	0	0	343.03	294
Prepayments of rent	0	0	0	0	53
Deferred tax assets	448	468	271	118	123
Total non-current assets	2,902	2,783	2,844	3,673	3,654
Current assets:	0	0	0	0	0
Inventories	2,889	2,774	3,032	3,395	3,549
Accounts receivable	192	40	9	15	17
Advances, deposits and prepayments	495	220	321	0	89
Cash and cash equivalents	126	623	1,265	980	592
Total Current assets	3,702	3,657	4,627	4,461	4,246
Total assets	***6,604***	***6,440***	***7,472***	***8,134***	***7,900***
EQUITY AND LIABILITIES					
Equity:					
Share capital	137	137	137	137	137
Reserves and surplus	0	110	110	110	110
Retained earnings	3,529	3,205	3,202	3,008	2,765
Total Equity	**3,665**	**3,452**	**3,450**	**3,255**	**3,013**
Non-current liabilities:	0	0	0	206	0
Deferred liability	0	0	0	0	235
Employee benefits	0	0	0	0	0
Lease liability	1,089	1,063	1,128	1,631	1,728
Total non-current liabilities	**1,089**	**1,063**	**1,128**	**1,836**	**1,963**
Current liabilities:	0	0	0	0	0
Accounts Payable	442	1,280	1,911	2,317	2,174
Creditors for expenses	139	0	0	0	0
Creditors for other finance	501	0	0	0	0
Accrued expenses	352	0	0	0	0
Unclaimed dividend	193	11	235	18	28
Contract liabilities	0	29.2	55	18	15
Current tax liabilities	45.5	192	250	283	403
Lease liability	176	413	443	407	304
Total Current liabilities	**1,850**	**1,925**	**2,895**	**3,043**	2,925

Total liabilities	**2,939**	**2,988**	**4,022**	**4,879**	4,888
Total equity and liabilities	**6,604**	**6,440**	**7,472**	**8,134**	**7,900**
Net Assets Value (NAV) per share (In BDT)	267.94	252.33	252.16	237.93	220.22

Liquidity Ratio Analysis:

Particulars	*2020*	*2021*	*2022*	*2023*	*2024*
Current ratio	2.00	1.90	1.60	1.47	1.45
Liquidity ratio	0.17	0.34	0.44	0.35	0.21
Inventory turnover ratio	-11.82	-67.49	38.14	27.23	60.26
Asset Turnover ratio	-2.05	-47.07	9.55	14.92	-39.70

Profitability Ratio analysis:

Particulars	*2020*	*2021*	*2022*	*2023*	*2024*
Gross Profit ratio	24.87%	36.39%	43.72%	45.92%	47.17%
Operating profit ratio	-28.03%	2.38%	10.95%	8.87%	8.37%
Net profit ratio	-26.08%	-0.88%	4.16%	4.06%	3.19%

Efficiency Ratio:

Particulars	*2020*	*2021*	*2022*	*2023*	*2024*
ROE	-36.18%	-1.98%	11.89%	12.32%	9.82%
ROA	-20.08%	-1.06%	5.49%	4.93%	3.74%

Solvency Ratio:

Particulars	*2020*	*2021*	*2022*	*2023*	*2024*
Debt-Asset Ratio	44.50%	46.40%	53.83%	59.99%	61.87%
Debt- Equity Ratio	80.18%	86.56%	116.60%	149.91%	162.24%

Bata Shoe Company Bangladesh Limited

***Profit and Loss Statement* (Quarterly)**

For each quarter ended

Particulars (in Million BDT)	*Q1'22*	*Q2'22*	*Q3'22*	*Q4'22*	*Q1'23*	*Q2'23*	*Q3'23*	*Q4'23*	*Q1'24*	*Q2'24*	*Q3'24*	*Q4'24*
Revenue	2,146	3,136	2,163	2,410	2,448	3,216	1,876	2,337	2,805	2,620	1,537	2,314
Cost of Sales	(1,313)	(1,699)	(1,249)	(1,286)	(1,377)	(1,724)	(1,016)	(1,226)	-1,549	-1,332	-880	-1,138
Gross profit	**835**	**1,437**	**915**	**1,122**	**1,072**	**1,493**	**860**	**1,112**	**1,256**	**1,288**	**657**	**1,176**
Other income/(loss)	1.66	16.48	12.61	14.65	1.10	10.53	(9.40)	(30.14)	(3.42)	9.26	2.48	(1.14)
Operating expenses	(720)	(991)	(842)	(725)	(837)	(1,058)	(834)	(908)	-933	-972	-747	-956
Operating profit	**133**	**463**	**85**	**398**	**236**	**445**	**16.1**	**179**	**319**	**325**	**-88**	**221**
Finance income	7.23	14.35	13.79	12.70	15.34	46.22	16.76	15.76	13.08	18.23	18.92	0.48
Finance costs	(42.0)	(79)	(139)	(4.3)	(51.1)	(22.6)	(42.9)	(57.8)	-46.5	-72.1	-83.3	-42.7
Net finance costs	**(33.3)**	**(64.7)**	**(125)**	**6.9**	**(35.8)**	**23.6**	**(26.2)**	**(42.1)**	**-33.5**	**-53.9**	**-64.3**	**-42.2**
Profit/(loss) before tax and contribution to WPPF	**98**	**398**	**(39)**	**406**	**200**	**469**	**(10)**	**137**	**285**	**271**	**-152**	**178**
Contribution to WPPF	(4.89)	(19.92)	1.97	(20.31)	(10.02)	(23.43)	0.50	(6.86)	(14.26)	(13.54)	7.61	(8.92)
Profit/(loss) before tax	**93**	**378**	**(37)**	**386**	**190**	**445**	**(10)**	**130**	**271**	**257**	**-145**	**169**
Income tax expense	(24)	(113)	(21)	(251)	(54)	(143)	(7)	(152)	87	-69	17	-292
Profit/(loss) for the period	**68**	**265**	**(59)**	**135**	**136**	**302**	**(16)**	**(22)**	**184**	**188**	**-128**	**52**
Other comprehensive income, net of tax	0.00	0.00	0.00	(22.56)	0.00	0.00	0.00	(0.63)	0.00	0.00	0.00	70.86
Total comprehensive income/(loss)	**68**	**265**	**(59)**	**112**	**136**	**302**	**(16)**	**(22)**	**184**	**188**	**-128**	**123**
Earnings per share	**5.01**	**19.41**	**(4.31)**	**9.87**	**9.96**	**22.11**	**(1.19)**	**(1.57)**	**13.42**	**13.73**	**(9.34)**	**4.00**

2.9 Conclusion

Bata Bangladesh having a strong global network and very good reputation, the company has maintained its position as the top footwear retailing as well as largest manufacturing company in Bangladesh. The company has the capacity to operate both in urban and rural areas and making sure maintaining the highest standards of quality which guarantees a diverse customer group. At the meantime the company is also facing challenges regarding high cost in raw material and rising labor costs. However, Bata company’s strong work force, work friendly environment and policies makes the workplace and retail stores very much work friendly for employees and sales people best quality of products will make the company grow and develop sustainably.

2.10 Recommendation

In my internship period at Bata Bangladesh I have seen that the company has a very strong retail team and products on show rooms and in inventory and the brand itself is the most valuable asset for the company. Focusing more on Online based sales rather depending too much traditional retail store based selling. In my opinion, this will attract more customer as it is more comfortable for a lot of young people. Wide range of new products of new innovative design as this will attract customer more. Finally, newly hired salesmen and women in retail stores must continue to get proper training.

3.1 Introduction

According to Arens et al. (2020), auditing is a methodical assessment of an organization's internal financial records, processes, and controls to ensure correctness, legal compliance, and efficiency.

Every organization has mainly three parties when is comes to Audit and Assurance, they are Principle, the management and the third auditor. Principle are the key people of a company they are the shareholders and other closest stakeholders of the company. The management is the employees who manage and operate the operations of a company. The management contains internal auditor who makes the whole audit process much easier. Finally, the third party auditor or external auditors are the team of major audit farm who provides neutral audit and assurance by checking, cross checking, verifying and evaluating everything so that everyone gets a clearer and pure information from the final annual, quarterly reports.

The overall audit process contains, both physical or non-physical verification of fixed assets, inventories, reports, statements etc. During my internship period, I physically verified fixed assets. Such as, Furniture, Computer and Computer Equipment, Electric works and inventories of finished footwear goods in stores, warehouse and central distribution center.

The activites gave me a clear idea of the significance of audit in real life.

3.1.2 Types of Auditing Related to the Internship

Types of Audit at Bata Corporation Bangladesh

1. Internal Audit

Internal audit is the team which does all activities to evaluate and verify operations, records, statements, procedures and making sure that everything is correct, efficient and followed by company policy. Internal audit of Bata Bangladesh evaluates the efficacy of risk-management frameworks, flaws on operational process and internal controlling acts etc. internal auditors review everything on a regular basis.

2. Compliance Audit

Compliance audit determines if a company is complying both internal and external regulations properly. Bata B. strongly follows all VAT and tax laws, IFRS standards and corporate governance regulations.

3. Inventory Audit

Physically checking inventory and cross checking them with records, reports and statements. Bata does their inventory check very often. Inventory checks are done physically and at a regular basis. Finished goods inventory are kept at Store display, store stocks, production units and Central distribution center. Inventory checks of materials are done in warehouse and production units.

4. Fixed Asset Audit

To confirm the condition, situation, ownership and documentation of company's Non-current assets is fixed asset verification. These type of assets are furniture, machinery, manufacturing equipment, computer and computer equipment, electric work etc. The valuation of fixed asset in Bata is done by following historical cost price principle. The overall process ensures the operation and production runs smoothly and make external audit easier.

5. Financial Audit

Ensuring full disclosure, fairness, correctness and reliability of a company's financial accounts, records and statements External audit is the third party who gives assistance to Bata's finance and administration dept. preparing validating financial data, gathering required documentation etc. This ensures that the overall audit process runs smoothly with full discloser and zero mismatches after all adjustment and rectification.

3.1.3 Purpose of Auditing at Bata

Bata is the largest manufacturer, importer and retailer of all kinds of footwear goods. The Bata itself is a huge entity have a huge workforce, office and factories. To ensure full financial integrity and full discloser Bata follows following objectives:

Financial Accuracy of Records

Auditing verifies that all financial transactions have been recorded accurately by both organizational policy and accounting principles and all errors have been adjusted and rectified. Finally, the main purpose is making sure of full disclosure and accuracy of data.

Preventing Detected Fraud and Misstatement

Any kind of error, mismatches and forgery is totally unacceptable. It must be avoided at any cost. If any kind of forgery takes place then serious legal action must be taken. Meanwhile, any kind of clerical and other error and mismatches can happen and happens all the time, these can be done by various accounting adjustments and rectification methods.

VAT and Tax Laws and Corporate Governance of NBR

National Board of Revenue NBR the regulatory authority of financial income for Bangladesh Government regulates VAT, tax etc. revenues. Bata Bangladesh has a efficient VAT Tax team that ensures all the VAT and taxes are paid properly. The audit team also double checks all the information for accuracy in reporting.

Systematic Audits to Positively Impact Operational Performance

Both financial and operational process efficiency audits are offered by Bata's audit methodology. Based on the assessment of resource utilisation, process bottlenecks, and cost controls, the auditor will provide recommendations that are crucial to achieving higher productivity, reducing waste, and ultimately supporting improvement programs.

Create Trust Among Stakeholders That Company Is Financially Sound

Bata is running their business since 1962 in Bangladesh. They have done all their activities with full dedication and honesty and they are fully committed to ensure to satisfy their customers. So, Bata is a brand of trust for more than 6 decades and more. Meanwhile, the investors and shareholders and other financial stakeholders also very much Bata as their reporting standards perfectly standard with the regulatory authorities and international and national standards.

3.2 Literature Review

The Institute of Chartered Accountants of Bangladesh (ICAB), which creates and implements the Bangladesh Standards of Auditing (BSA) within the framework of International Standards of Auditing (ISA) created by the International Auditing and Assurance Standards Board (IAASB), is responsible for regulating auditing in Bangladesh. This regulation's goal is to empower Bangladeshi auditors to generate work of global calibre and dependability (ICAB, 2022).

Auditing goes beyond simply confirming company statements in the context of Bangladeshi business. Internal control and risk assessments, as well as compliance assessments for excellent corporate management, are among the many factors assessed in this context. As a result, the internal auditors unlock their organisation while carrying out their mandate to contribute to increased accountability and transparency by opening up possible channels for spotting possible inefficiencies and closing their internal business processes, potentially preventing fraud and other similar malpractices by both internal and external parties.

As markets become more competitive and dynamic, risk-based auditing gained popularity. Rahman and Akter (2021) described the proactive auditing strategy as a response to the evolving and quick advancement of technology.

In marketplaces that are competitive and dynamic, risk-based auditing has gained popularity. According to Rahman and Akter (2021), auditing needs to be proactive in order to keep up with the rapidly evolving business environment, rapid technological advancements, and regulatory changes. The organisation may focus audit resources on the areas with the largest risks thanks to the risk-based audit, which makes the audit process more effective and efficient.

Bata Corporation Bangladesh is one of the large companies in Bangladesh that use integrated audit frameworks, which include financial, regulatory, and internal auditing into one procedure. This guarantees that the company not only complies with legal standards but also incorporates operational procedures that are essential for cutting costs and building trust with a larger range of stakeholders. These audit frameworks aim to make auditing a tool of compliance and long-term value development by coordinating the audit objectives with the larger strategic objectives.

3.3 Problem Statement

Though Bata Shoe Company (Bangladesh) Limited has a strong and efficient audit system, it faces practical challenges. It brings inaccurate and ineffective audit procedures. For instance, the common inaccuracy is mismatches of inventory of Footwear and raw material and raw material overheads. Due to clerical errors these situations occur which has to be adjusted and rectified by caution. Meanwhile, Bata has a huge number of fixed assets across 234 Retail Stores, 2 Major factories and the large head office. Addition, transfer in/out and disposal of assets happen very often. So, fixed asset tracking and verification across multiple location takes a handful amount of time and delays. Furthermore as Human resource is responsible for these activities so there is always a slight chance of lateness and clerical error. And these procedures get ineffective because of those reasons.

3.4 Research Objectives

1. Challenges in audit process must be identified by internal audit
2. Methods for auditing if it's impact is effective and productive or not must be assessed
3. Operational efficiency and accuracy and regulatory compliance need assurance
4. Evaluation of importance of the role and results of Auditing
5. Recommend initiatives and technological enhancement needs engagement to make auditing stronger

3.4.1 Research Questions

1. How effective are the above-mentioned audit techniques?
2. What are the challenges faced in conducting audits?
3. In what ways can audits be developed further to ensure greater accuracy?

3.5 Significance of the Study

This study provides practical insights into applying auditing principles in a corporate setting. This result is useful for:

- Students who are eager to learn and understand the real-world auditing.
- Auditors that aim to refine the corporate audit process.
- Managers who desire to improve internal controls.

3.6 Methodology

3.6.1 Design of the Research

A **qualitative descriptive** approach was adopted, using both primary and secondary data sources.

3.6.2 Explanatory Research

Explores how auditing processes are implemented at Bata and their impact on efficiency.

1. Secondary Research:

- Industry literature on auditing in Bangladesh.

2. Primary Research (Interviews):

- Semi-structured interviews with audit officers, finance managers, and my supervisor.

3.6.3 Sample Population

The Finance and Administration division of Bata Corporation Bangladesh, being directly involved in audit-related activities, served as the target population for the survey.

3.6.4 Sample Size

10 staff members directly involved in auditing tasks.

3.6.5 Data Collection

3.6.5.1 Primary Data:

- Internship observations.
- Interviews with finance and audit staff.

3.6.5.2 Secondary Data:

- Audit guidelines from ICAB.
- Research Publications.

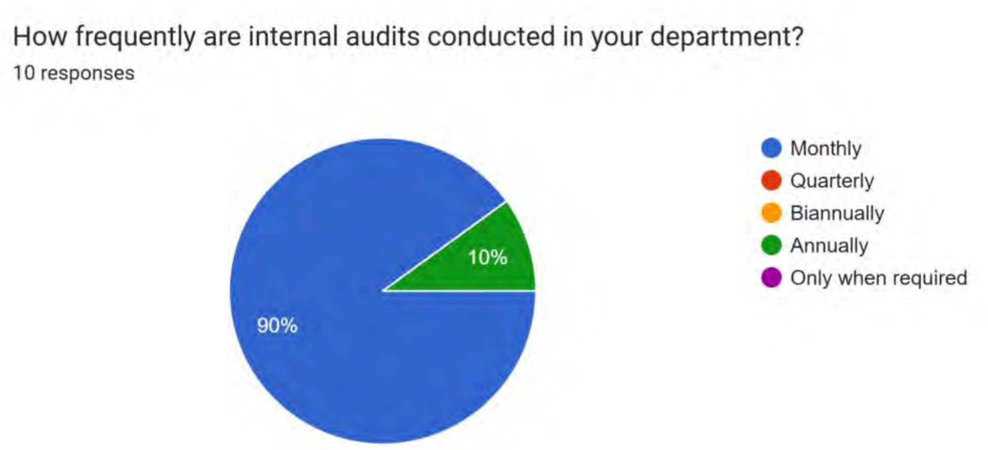
3.7 Analysis & Findings

3.7.1 Findings

I have come up with a questionnaire per the directive given by my academic supervisors. The department did the developing and production of the questionnaire by the author. After the collection of some required anonymized data from employees, I have received some replies from the questionnaire.

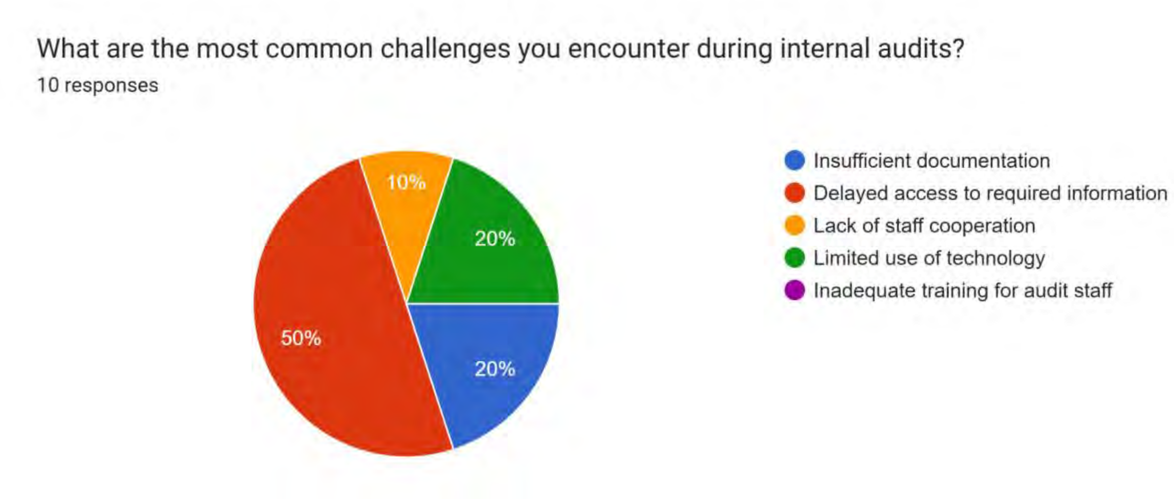
How frequently are internal audits conducted in your department?

Data in the chart show that a large percentage of respondents, standing at 90%, conduct internal audits once every month, implying that there is a strong focus on making sure a constant checking is done for early identification of issues and operational compliance. The rest conduct audits once every year, suggesting that they may use this less frequent full-sweeping method of auditing. Nothing was filled in for quarterly, semiannual, or “only when required” audit, indicating a clear departmental choice to favor routine and structured monitoring compared to evaluation audits that can be conducted intermittently or on an ad-hoc basis.



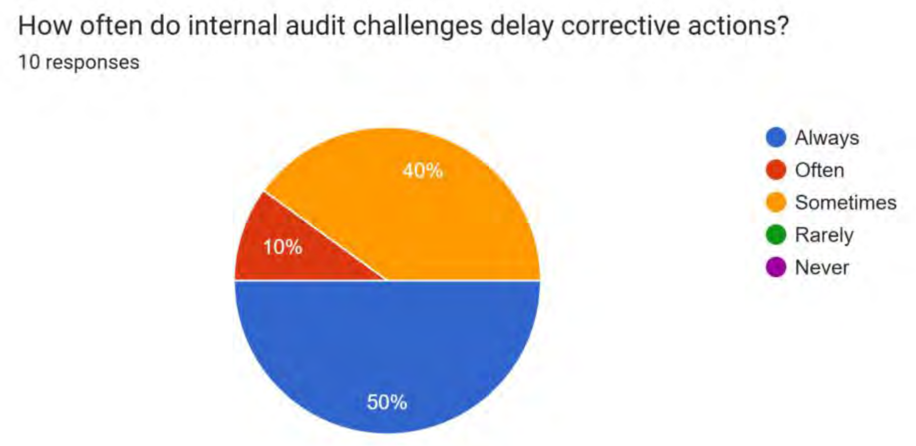
How effective are internal audits in detecting operational or financial irregularities?

According to the findings, 40% of respondents fall into the neutral category, which may suggest uncertainty or a mixed experience with audit results, while 60% believe that internal audits serve the objective of identifying operational or financial problems "to some extent". The fact that no one chose "to a great extent" or "to a very little extent" suggests that audits are beneficial but not very effective, which suggests that there is room for improvement in terms of their scope, intensity, and total worth.



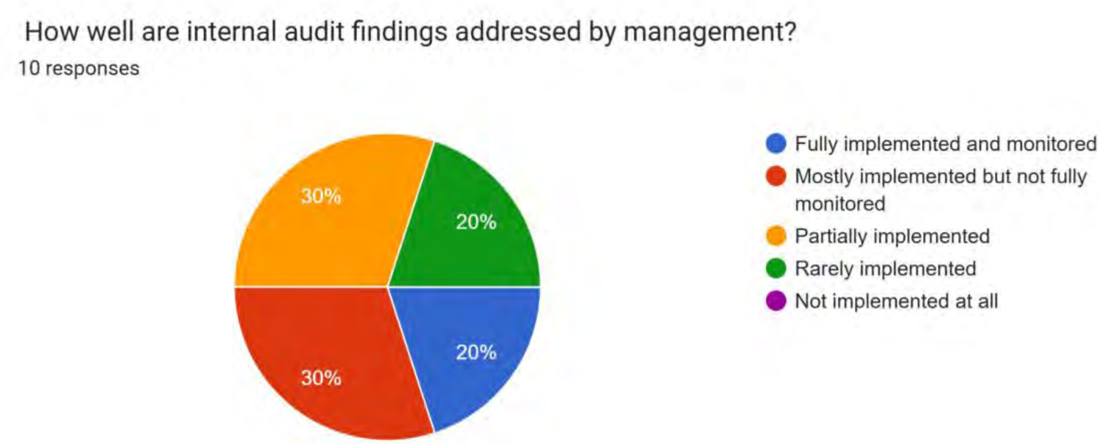
What are the most common challenges you spot during an internal audit?

The inadequate availability of information has always slowed down the auditing procedures and clouded the auditing conclusions. Other issues that would make things difficult include underutilisation of technology and unnecessary documentation. The auditing team's efficiency is indicated by the lack of concerns over management training, which is actually impeding the auditing process.



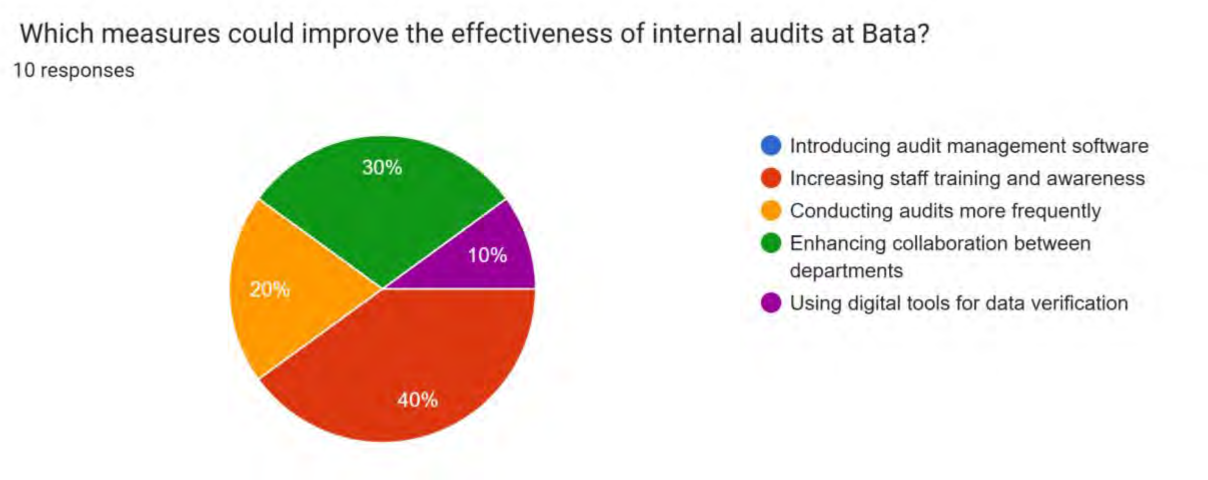
How often do internal audit challenges delay corrective actions?

According to the data presented, 50% of the respondents stated that delayed access to necessary information is the biggest barrier to timeliness and accuracy in internal audits. Additionally, 20% of respondents said they used technology seldom and had little documentation, which made audits more difficult. Only 10% of respondents cited staff lack of cooperation as a challenge, and none mentioned insufficient training. This suggests that streamlining procedures and expanding resource availability rather than improving staff skill sets are the primary problems that need to be addressed.



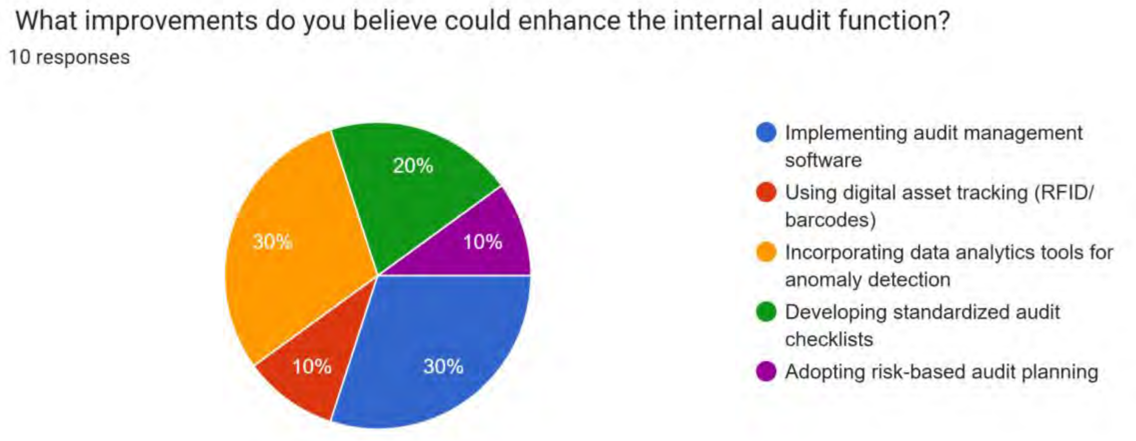
How well are internal audit findings addressed by management?

Only 20% of audit suggestions are continuously monitored and put into practice, according to data. This is well within the 60% range of audit recommendations that are classified as partially or insufficiently implemented. Therefore, in order to guarantee that these observations are translated into tangible and useful improvements, there is a need for more precise procedures for implementing observations, more clarity on accountability issues, and more efficient methods of monitoring implementation after audit activities.



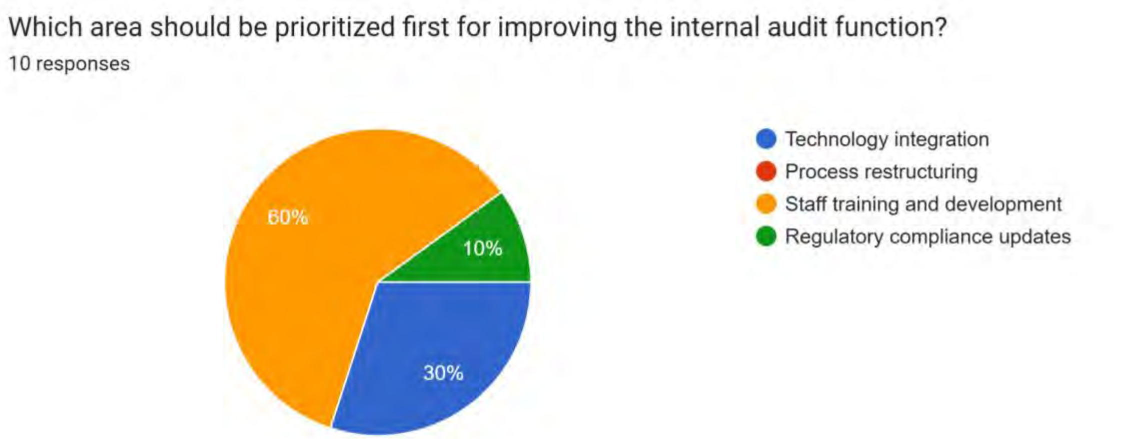
Which measures could improve the effectiveness of internal audits at Bata?

There appears to be some uncertainty regarding the ability of technology to improve audits in situations where it is evident that there is a people situation where respondents place a higher priority on staff training and departmental cooperation than just technology. Technology can help with audits, but given its low rating, it seems that human capacity growth was prioritised over technological advancement. Regular audits were thought to be a good idea, but their main purpose was to enhance staff competencies.



What improvements do you believe could enhance the internal audit function?

With 30% of the vote supporting the use of data analytics or audit engagement software, the demand pattern points to an appealing tendency towards the technology approach.
This was discovered, and it was determined that using checklists to standardise procedures was a crucial activity to guarantee that a fundamental auditing standard was fulfilled. Risk-based planning was deemed helpful but not urgent, and more advanced strategies, such as the use of RFID or barcodes on every document, were also identified. This demonstrated that it was crucial to start by implementing and addressing the fundamental technological and procedural ones.



Which area should be prioritized first for improving the internal audit function?

The results highlight the significance of developing auditors' abilities and knowledge, with the majority of respondents (60%) ranking staff training and development as the need with the greatest priority to improve the internal audit function. With a preference of 30%, technology integration is rated second, indicating a high yet low level of interest in using technology to increase the effectiveness of the internal audit function. However, process transformation received no preference, while regulatory compliance came in last with a 10% preference.

3.7.2 Analysis

1. Frequency of Internal Audits

90% of respondents says there are regularity in the department's commitment to conducting monthly internal audits. This action has a policy approach to operational overlay, risk identification, and compliance. Quarterly and semi-annual audits are not mentioned. This choice is described as favoring routine over ad hoc reviews. When these capacities are available, operational responsiveness may be impacted by delayed identification of new problems, which could lead to slower reactions in the operational state.

2. Effectiveness of Internal Audits

The internal audits are thought to be somewhat effective (60% "to some extent"), but their untapped potential is revealed by the lack of respondents who rated them as more effective. In terms of audit efficacy, the 40% neutral point may suggest some unpredictability because they may occasionally fail to follow up appropriately. In order to use them as far more powerful conduits of operational and financial honesty, it is necessary to consider how their depth and follow-through might be enhanced.

3. Common Challenges During Audits

In the end, the most important element immediately impeding the conclusion of an audit is the sluggish accessibility of the material being requested, raising doubts about the credibility of the entire process. Although there are systemic inefficiencies, the detracting elements unrelated to management training suggest that skill is there. Increased usage of technology and better accessibility would undoubtedly reduce a lot of friction.

4. Delays in Corrective Actions

Its crucial significance in boosting the effectiveness of audits is supported by the fact that half of the respondents cited delayed access to information as their primary reason for delaying corrective actions. Inadequate documentation and poor technology adoption (20% each) exacerbated the issue. Just 10% of incidents were caused by a lack of cooperation within the organisation; therefore, the problem would seem to be more process-induced than people-induced, necessitating workflow optimisation.

5. Management Response to Findings

Only 20% of the reports are completely implemented and monitored, whilst 60% are only partially addressed. This suggests that there may be a gap between the identification of problems and the implementation of sustainable correction measures. The absence of efficient accountability mechanisms may also be a contributing factor to this situation, so assigning responsibility is a crucial area that needs to be improved.

6. Measures to Improve Audit Effectiveness at Bata

Cross-functionality and staff training may be more successful than just technology advancement. The promotion of a human-centered approach, where staff abilities and communication are ultimately the cornerstone upon which an effective audit is founded, is evidently the mindset that develops here. In accepting a two-pronged approach to advancement, technology is acknowledged and plays a secondary role to the enhancement of the human element.

7. Improvements to the Audit Function

Based on useful instruments for improving the audit engagement, there is a significant inclination towards the use of technology in the process; data analytics was mentioned in 30% of the respondents. The respondents seem to be clearly willing to improve the procedure. The guarantee of minimum standard quality is the subject of opinion on the use of standardised checklists. It emphasises the adoption of a split strategy on the applications of technology, even though the more sophisticated technologies like "RFID/barcodes and risk-based planning" stand as considerably less critical.

8. Priority Areas for Improvement

The majority (60%) emphasise staff development and training as their top priority, confirming that skilled auditors are in fact the foundation of their success. The next step is technology integration (30%). According to these participants, the human and technological aspects are the immediate levers of intervention rather than overhaul, as seen by the relatively low demand (10%) for compliance updates and the total lack of support for process redesign.

Conclusion

It was discovered in this study that although the department has established auditing operations that take place frequently, they are grossly ineffective due to numerous constraints related to inefficient processes, especially the contract and availability poorly documented information, and underutilized technology. Audit teams do possess the requisite skills to carry out their duties, but a poor follow-up system and no accountability mechanisms are holding back the recommendations made after audits in ensuring that they result in improvements in operation. The respondents all submitted that the primary leavers for audit efficiency improvement are the training and development of staff and management and interdepartmental collaboration. Full adoption of technology-integration, especially through audit management software and data analytics, is also evidenced as a very valuable secondary driver for efficiency and accuracy.

However, developing individuals and improving fundamental processes are seen as more important than innovations and structural changes.

In general, the results indicate that targeted investments from a technical standpoint are necessary, along with a balanced approach to investing in people and enhancing process efficiency. In order to greatly improve the status of the internal audit function from merely compliance-related activities to becoming progressive and dynamic change-leaders towards achieving operational excellence, the auditors' competencies have first guaranteed the implementation of skills to provide access to information and all those follow-through mechanisms.

Recommendations

The distinctions and analyses mentioned above served as the foundation for several strategic recommendations that were found and decided upon to guarantee Bata BD's continued expansion and efficient operation.

To enhance staff training and development, the organisation should implement ongoing professional development programs on the most recent auditing techniques and best practices in the audit profession. Aside from this, cross-departmental training and workshops would enhance cooperation while guaranteeing that every function has a common grasp of audits.

For the audit process to be implemented smoothly, information is essential. It is advisable to establish a safe web directory that offers all the data needed for the audit procedure. It is wise to be explicit about the submission process and deadline. This also holds true for the procedure.

Implementing an action tracking system that keeps track of all management "to-dos" related to audit recommendations is one of the most expensive recommendations given to improve the effectiveness of follow-ups on audit findings. Every action item must have a designated owner, established review cycles, and escalation protocols in the event that an action remains unresolved.

Perhaps more accuracy, efficiency, and reporting capabilities will be possible with the use of these technological applications. A few examples that will reduce dependency on paper documentation and eradicate errors resulting from the use of outdated and irrelevant information are audit engagement software, data analytics tools, and document digitisation procedures.

Consistency and completeness would be guaranteed by the standardised auditing processes. Planning the audit based on risk would guarantee that the audit resources are focused on the higher-risk areas, and using audit checklists to construct the audit standards would guarantee compliance with the standards.

Finally, a culture that is constantly evolving will provide value to the organisation. In addition to praising and rewarding teams and departments that demonstrate the changes recommended in the report, the management will concentrate on examining the audit report's findings from the standpoint of evolution opportunities.

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