

Report On
Audit procedures of a Chartered Accountants firm: A Study on
ACNABIN Chartered Accountants

By

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18304007

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

BRAC Business School
BRAC University
November 2022

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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:

SALIMA AKTER
Student ID: 18304007

Supervisor's Full Name & Signature:

Dr. Faruk Bhuiyan
Assistant Professor, BRAC Business School
BRAC University

Letter of Transmittal

Dr. Faruk Bhuiyan

Assistant Professor,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship report

Dear Sir,

This is to inform you that I am thankful to the Almighty for giving me the opportunity for completing my internship and submitting this report to you. I am also grateful to you as you give me your kind advice and guidance while I am preparing this report. This report includes the essence of my role as an intern at ACNABIN Chartered Accountants and overview of the organization as well as my research on the topic “Audit Procedures of a Chartered Accountants firm: A Study on ACNABIN Chartered Accountants”.

I thence, hope that you would really like and appreciate my effort which I have given in this report. My heartfelt thanks to you for encouraging me to work on this engrossing topic and accept it with your contemplative consideration.

Sincerely yours,

SALIMA AKTER

18304007

BRAC Business School

BRAC University

Date: November 05, 2022

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

...**SALIMA AKTER**.....

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

Acknowledgement

First, I would like to give thanks to the Almighty Allah because He was allowing me to stay healthy and complete my internship program during ACNABIN's audit time. Next, I am indebted to my parents who provided me with continual support and assistance to complete my degree.

To commence, I would want to evolve my gratitude and thankfulness to my faculty, Dr. Faruk Bhuiyan, Assistant Professor, BRAC Business School, BRAC University, for his resolute support, direction, inspiration, and ecstasy during the composition of my internship report. I avowedly appreciate that he was always giving his significant time and effort from his busy schedule to read my report.

Next, I would like to express my thanks to an eligible person, Mr. Muhammad Aminul Hoque, FCA, Audit & Assurance Partner, ACNABIN Chartered Accountants, who really deserves my gratefulness for his immense leading, ceaseless support and guardianship. It could not be possible for me to end up as an intern at ACNABIN Chartered Accountants if he would not assist me properly. Over and above, upon his guidance I have worked in the Internal Audit Team of GE Healthcare Bangladesh Limited where I have gathered experience about internal control system, surprise audit and inventory counting operations.

Further, I would like to appreciate and express my gratitude to my beloved friends who have provided me continual facilitation at the time of my completion of this degree. Moreover, I would like to thank Kazi Md. Salehuddin, Shadman Shakib, Nuzhat Naoshin, Ibnat Tasrin for providing mental assistance and aid.

At the end, I impart my sincere gratefulness to my audit team member named MH Shoikat as well as my In-charge named Nusrat Sharmin for providing me all endearment and support throughout my whole internship period. Henceforth, I would like to thank my on-site supervisor named Md. Gulam Kibria for providing me ongoing assistance and helping me to take appropriate decision in brief to say a life saver.

Executive Summary

This report focuses on the audit procedures that is followed by maximum CA firms in Bangladesh. In chapter 1 the experience of my three months internship program has been described. In chapter 2 the background information on ACNABIN Chartered Accountants has been put into words. In chapter 3 the main project part of my report has been expressed that is the audit procedures ACNABIN Chartered Accountants follow in their firm as per APM in the context of Bangladesh. In this stage I have done a survey on ACNABIN and based on my survey I have found there are four steps of audit process in CA firm. The steps are planning, collection of evidence, controlling & recording and lastly review & opinion. To get the information about those steps I have collected primary data from my interpersonal observations and one to one interview method. In this case I have interviewed senior article student, supervisor, director and the partner of the firm “ACNABIN Chartered Accountants”. Henceforth, I have collected data from the official website of ACNABIN and other sources as well as journals which help me to identify the key determinants which can define the audit procedures ACNABIN follows. The main objective of this chapter is to know about the audit procedures of ACNABIN Chartered Accountants. To know the audit procedures of ACNABIN I have analyzed the process of appointing auditors, the initial planning of the audit, assessing the risk of material misstatement, the required audit evidence by testing various audit assertions, performing review of audit reports, and opinion of partners of ACNABIN on the audit report from the observations of overall documentations. Last but not least, it will be recommended for ACNABIN that they should overcome their weaknesses to improve their audit work.

Keywords: Audit procedures, CA firms, Bangladesh, ACNABIN, Survey, Interview, Observations.

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List of Acronyms

A stand for Aziz-Uddin, C stand for Chowdhry

N stand for Nurun Nabi, A stand for Anwaruddin

ACNABIN B stand for Bari, I stand for Iftekhar, N stand for Nayeem

CA Chartered Accountant

DVC Document Verification Code

DVS Document Verification System

ERP Enterprise Resource Planning

FS Financial Statement

IAS International Accounting Standard

ICAB Institute of Chartered Accounts of Bangladesh

IFRS International Financial Reporting Standard

SOWT Strength Weakness Opportunity and Threat

BBA Bachelor of Business Administration

FCA Fellow Chartered Accountant

APM Audit Practice Manual

BSA Bangladesh Standards on Auditing

AP Audit Procedure

Glossary

Audit

It is an audit which is the examination or inspection of various books of accounts by an auditor that are followed by physical checking of inventory in order to make sure that all departments are following documented system of recording transactions so that auditors can ascertain the accuracy of financial statements provided by the organization.

Procedures

A procedure is a process in order to completing something with steps and injunctions for each angle of the task. Procedures mostly stay coherent once they are induced to maintain a general understanding of what people should do in various situations.

Chapter 1

Overview of Internship

1.1 Student Information

Name: SALIMA AKTER

Student ID: 18304007

Department: BRAC Business School

Program: Bachelor of Business Administration

Major: Finance

2nd Major: Accounting

1.2 Internship Information

1.2.1 Employment Details: Provided below-

Work Duration: 1st June 2022 to 31st August 2022 (3 months internship)

Company or Firm Name: ACNABIN Chartered Accountants

Department: Internal Auditor as Audit Associate

Address: 12 Kawran Bazar Commercial Area, BDBL Bhaban (Level-13 & 15), Dhaka-1215, Bangladesh.

1.2.2 Internship On-site Supervisor Information

Supervisor Name: Md. Gulam Kibria

Designation: Deputy Manager, Audit & Consultancy

1.3 Job Duties and Responsibilities

Basically, I was appointed as a junior audit associate at ACNABIN Chartered Accountants firm where I was assigned to the internal audit team called “GE Healthcare IA Team”. The main task and objective of my team “GE Healthcare IA Team” is to conduct internal audit on GE Healthcare Bangladesh Limited (GEHBL) and surprise audit on the hospitals where their products are delivered as well as inventory counting on that company. Once I joined ACNABIN I was imputed to execute quarterly audit like quarter 1, quarter 2, quarter 3 & quarter 4 of a year on GE Healthcare Bangladesh Limited. Howsoever, I mainly managed internal audit at GE Healthcare Bangladesh Limited (GEHBL) which is located at Shanta Western Tower, Tejgaon Industrial Area, Dhaka. The key motive of our internal audit at GEHBL is to check whether their given documents are compliance with the company and government policies or not. Nevertheless, during the audit period the prime responsibilities I was imposed were:

- Initially, I was assigned to the Grameen Bank team at firm where I audited the financial statements of Grameen Bank.
- Afterwards, I was transferred to GE Healthcare IA team to conduct internal audit of GEHBL.
- During my entire internship period the main job objective at GEHBL was to collect documents from the management of that company in the form of evidence to support our audit purpose.

- After collecting the documents of the scope of working area I checked all the documents and reconcile them with relevant policy. In this case I followed the company policies such as bad debt policy, indirect sourcing policy, leave policy etc.
- For 1st quarter scopes of working area were direct taxes, indirect taxes, record to reports and others. At the same way, for 2nd quarter scopes of working area were statutory compliance, procurement to pay, logistics inbound and logistics outbound. Besides, scopes of working area for 3rd quarter were inventory, warehouse, distribution, demo, buy to pay, cash & bank, treasury. At last, in 4th quarter scopes of working area were fixed assets, direct sourcing, OTR (Revenue), I2C (Collections), HR & Payroll.
- Later, I was assigned to conduct surprise audit. In this regard, I had to check whether the machineries are properly delivered or not in 3 hospitals “Popular Medical College Hospital, LABAID Specialized Hospital & Islami Bank Central Hospital”.

1.4 Internship Outcome

1.4.1 Contribution to the Organization

During my three months internship period at ACNABIN Chartered Accountants, at first, I was assigned to the Grameen Bank team. That time I audited the financial statements of Grameen Bank and matched the Balance Sheet. One week later I was transferred another team named “GE Healthcare IA Team” where I was assigned for internal audit. There I performed quarterly audit for 2nd, 3rd, 4th quarter of 2020 and 1st quarter of 2021. First, I asked to the management of GEHBL about the required documents of all those quarters which is called initial requisition. After getting those documents I checked them to know whether those documents are compliance with the company policy or not which was really appreciated by my seniors as based on my

observations my senior wrote the audit reports which were reviewed by my supervisor and director of ACNABIN. In the second month of my internship, I conducted surprise audit to Popular Medical College Hospital, LABAID Specialized Hospital & Islami Bank Central Hospital where I checked whether the machineries were properly delivered from GE and had in a good condition or not. In this case my in-charge highly appreciated my work since I was reported my work satisfactorily to her.

1.4.2 Benefits of this Internship

The utmost momentous benefit I have received at the time of my internship period is the learning scope of conducting quarterly audit as an internal auditor. Besides, I can observe the CA Firm's culture, working environment, policy, practice so that I can adapt it and make decision of my future higher studies. Since I got the opportunity to do internal audit at GEHBL, I was able to gather knowledge about the internal control system and internal operations of that organization. Hence, I had to do surprise audit at different hospitals where I learnt how to deal with challenges to communicate with new people. So far, I successfully dealt with those challenges and fulfilled my tasks. As I was appointed to GE Healthcare team, I was able to get insight about the operation of GEHBL, their vendors, buyers, employees, and different departments. Also, I have learned how to handle client in a professional manner, how to interact with the top officers like Heade of finance of a multinational company to check the purity of their documents. Moreover, this internship program helped me to enhance my interpersonal, communication, observation, and critical thinking skills, since I had to deal with my clients as well my seniors in the workplace. To sum up, it can be said that I have attained 3 months of internal audit experience which give me a clear view of the present business and job opportunity in multinational company in case of health sector.

1.4.3 Problems and difficulties faced during Internship

All the things have pros and cons. That's why, I can tell that overall, my internship period I had mixed up experience. During my internship period I faced the following challenges which are:

- ✓ Firstly, though I was an internship student, I was treated as a full-time article ship student. As a result, I had to follow all the rules and regulations of articulated students which was quite a bit challenging for me.
- ✓ Secondly, as our client office (GEHBL) was situated far from our home office (ACNABIN), it was quite difficult to maintain proper timing regarding auditing. Therefore, it created hindrance in efficiency of audit and reports.
- ✓ Thirdly, another extensive challenge I faced during my internship was to gathering documents from my clients. Initially, we sent them initial requisition and based on that they sent us management response. But we hardly got all the required documents.
- ✓ Fourthly, another biggest challenge I faced was establishing proper communication with higher level officer of a multinational company. Since those officers were always busy at their work, it was indeed tenacious to communicate with them time to time.
- ✓ Finally, the most challenging part was to collect confidential data from ACNABIN. Because ACNABIN as a private organization do not give access their annual report to the outsiders and students. Consequently, I was not able to access those data which could be quite helpful for writing of my internship report.

1.4.4 Recommendation on Future Internship

As a fresh intern I will only recommend those students to do internship at ACNABIN who are really intending to explore their professional career at Chartered Accountancy. Frankly speaking CA firms are amply challenging and their working areas are seriously variegated. Because I had experienced some of banking operation as well as manufacturing industry within three months. However, one can achieve immense knowledge by working with CA firms like ACNABIN which will help them to steer different industries and sectors. To sum up, I will advise that the person who is very passionate about CA profession, he or she should do his or her internship in a CA firm to know more about CA and make decision accordingly.

Chapter 2

Organizational Part: Overview, Operations, and Strategic Audit

2.1 Introduction

2.1.1 Objective

By the last 4 years of my BBA degree at BRAC University I had studied a lot about business and its operations which I tried to redact in my real life as well as corporate life in the long run.

That's why my premier objective was to know about the audit procedure and the basis in accordance with ICAB. Since I was assigned to conduct an audit on multinational company (GEHBL), in this case my next purpose was to gather knowledge, information, and experience about medical technology business systems and procedures.

2.1.2 Methodology

Apropos conduct this research I have collected all the data and information based on primary and secondary sources. Mainly the primary source was the CA professionals of ACNABIN Chartered Accountants who are currently pursuing their CA degree at that firm. Additionally, I also collected data via admin team and previous intern students of ACNABIN. Moreover, I have further collected my secondary data from secondary data sources such as the official website of ACNABIN Chartered Accountants, website of ICAB and from google scholar.

2.1.3 Significance of this study

Basically chapter 2 has been arranged by providing an overview of ACNABIN Chartered Accountants firm and its audit practice in Bangladesh. By reading this paper one can get some idea about the CA firm culture, environment, and the necessity of pursuing CA profession as a career for the future. Further, this stage will also provide few background information of ACNABIN where management practice, client retention policy, IT, and admin facility as well as accounts & financial statements will be mainly focused. In addition, this chapter will also give readers an idea about the audit system and technique which is currently being followed by my firm ACNABIN.

2.1.4 Limitations of this study

During my internship period one of the biggest limitations of this study was confidentiality of the information. Because of extreme confidentiality of information, I could not be able to research some valuable documents. For example, as I was not allowed to check ACNABIN's annual Financial Statements, I was not able to collect financial information of ACNABIN. Another limitation was time constraints. Consequently, I could not be able to analyze my topic deeply. Hence, for this study time allocation was only 3 months which created hindrance to collect latest data. Therefore, I had to rely on the past data to complete my report.

2.2 Overview of the organization

2.2.1 About ACNABIN Chartered Accountants

At present according to Bangladesh Bank ACNABIN Chartered Accountants is ranked number 1 chartered accountant firm in Bangladesh. It is ACNABIN which is an independent member firm of Baker Tilly International which is also an international accounting network of 149 firms in 125 countries (Rahman, I. 2015). ACNABIN has so many engagements which are involved project funded through international agencies like the World Bank, ADB, UNDP, UNICEF, UNFPA, DFID, CIDA, WFP, FAO, SIDA, ILO, IFAD, USAID, NORAD, UNCDF, ODA, LWF/DWS, EC etc. ACNABIN Chartered Accountants was established in early 1985 by seven FCA named ABM Aziz-Uddin, Anwar Uddin Chowdhury, ASM Nayeem, Mohammod Akhtaruzzaman, ATMA Bari, Iftekhar Hossain, and Muhammad Nurun Nabi so that they could flourish chartered accountancy field in Bangladesh (Rafi, F. 2020). Since the firm's inauguration ACNABIN has provided market survey, management review, and consultancy services to the clients who are active in industry, trade, finance, microfinance, education, health, social services, and agriculture in the private, public, and non-governmental sectors throughout Bangladesh, as well as to various UN agencies and other development partners. However, as it is one of the renowned Chittagong Division in Bangladesh the firm is equanimous for continued growth. The head office of ACNABIN is in Dhaka Division, Bangladesh, whereas its sub brunch is in Chittagong Division (Ridam, M. 2022).

2.2.2 Services offered by ACNABIN

In Bangladesh ACNABIN not only offers a variety of high quality & entertaining services to private organizations but also aids the public sector clients. At the same way, they provide support to the international development organizations and deportee consultants to work on projects in Bangladesh (Rahman, I. 2015). It is ACNABIN which has been providing accounting services in different sectors of business for more than 31 years to various clients (Shahriar, M. 2020). The principal purpose of their services is to improve the internal control system of their several clients. The premier services which are provided by ACNABIN Chartered Accountants are as followed:

<p>Audit & Assurance</p>	<p>Internal Audit, External Audit, Statutory Audit, Special Audit, Compliance Audit, Cost Audit, Forensic Audit, Performance Audit, Management Audit, Interim Audit, Donor Audit, Review Engagement, NGOAB Audit etc.</p>
<p>Tax & Legal Advice</p>	<p>Personal Income Tax, Individual & Corporate Tax Planning, Deferred tax computation and application, Tax investigation, Indirect tax, Capital gain tax, Tax compliance and preparation of various tax returns, Designing VAT Management System & Compliance Audit, Assistance in handling queries & requests for information from tax authorities, Preparation of income tax returns, Tax assessments and appeals, Import Duty & Customs cases, International tax services, Inheritance tax planning, Tax effective remuneration planning, Tax investigations etc.</p>

Consultancy	Management Consultancy, Management Accounting Services, Business planning and project feasibility studies, Structured financing advisory, Standard Operating Procedures (SOP), Accounts Receivables Management, Fixed assets management, Payroll management, Inventory management, Project appraisal, Performance measurement, Process Improvement Services, Business Valuation, Cost Management Services etc.
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<p>Advisory</p>	<p>Preparation and filing of Annual Return; Formation, incorporation, liquidation, and winding up of companies; Preparation of Director's minutes; Maintenance of statutory records; Formation and registration of companies and close corporations; Conversions of companies and close corporations; Increase of share capital; Amendments to and registration of statutory details; Change of company name; Advice on secretarial matters relating to the Companies Act; Change of Articles & Memorandum; Management of Litigation; Preparation of special resolution; Management of Legal Disputes; Legal Opinion on Laws, Licenses, AOA etc.; License issues; Compliance with relevant Laws & Regulations; Correspondence with corporate regulatory bodies; IP Rights (Logo, Trademarks, Copyrights); Drafting, Reviewing, & Providing Opinion on: Agreement, MOU, NDA,</p>
-----------------	---

	RFP, Undertaking, LOI, PO/WO, Legal Notice etc.
Outsourcing	Payroll & payroll tax processing, Accounts payable processing, General ledger and financial statements processing, Human resource support, accounting services, Preparation of management accounts and management information systems, Support in day-to-day transaction processing, Preparation & Maintenance of Books of Accounts, Bookkeeping and preparation of final accounts, Fixed assets verification and completion of records etc.

Others	Privatization consultancy (includes pre-privatization review, restructuring, valuation in particular and privatization assistance in general), Data processing with computers, Accountancy and management training, Other accounting ancillary services including investigation, Micro finance consulting, Internal and management audit, Human resource development issues etc.
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Table1: Services of ACNABIN Chartered Accountants

2.2.3 Vision, Mission & Objective of ACNABIN

Each organization has its mission, vision and core value statement so that they can set their goal and objective for their entity’s continuous growth. Similarly, ACNABIN has its mission, vision and core value statement as an accounting service provider.

- **Vision statement of ACNABIN:** The vision statement of ACNABIN Chartered Accountants is given- “We go beyond the traditional auditor and client relationship by becoming your Trusted Business Advisor” (ACBANIN Chartered Accountants, 2022).

- **Mission statement of ACNABIN:** The mission statements of ACNABIN Chartered Accountants are given- “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” (ACNABIN Chartered Accountants, 2022).

- **Objective of ACNABIN:** The objectives of ACNABIN Chartered Accountants are given- “We want to become trusted leader in the market ensuring highest level of professional ethics and competencies. While securing a safe and trusted position in the market for financial institutions, telecommunications, foreign branch and liaison offices and NGOs/NPOs, we still see wider space for us to get involved in other sectors in the country and in the region” (ACNABIN Chartered Accountants, 2022).

- **Core value of ACNABIN:** As a subsidiary company ACNABIN follows the forecasts of Baker Tilly. In Accordance with ACNABIN’s profile handbook it can be stated that “Our way of life is driven by the Baker Tilly Internal fundamental beliefs (Shahriar, M. 2020).
The core values are-
 - ✓ Leading by example
 - ✓ Delivering quality services with integrity
 - ✓ Communicating openly, acting ethically
 - ✓ Last but not the least fostering a community built around civic responsibilities as well as teamwork.

2.3 Management Practice

The management practices of ACNABIN are given below:

2.3.1 Leadership & Decision making

ACNABIN follows autocratic leadership style, as their owners or partners lead the CA firm.

However, at present ACNABIN has 11 partners along with 7 founding partners who take most of the business decisions or audit approval discussed among themselves. In this regard the organizational hierarchy of ACNABIN is given below-

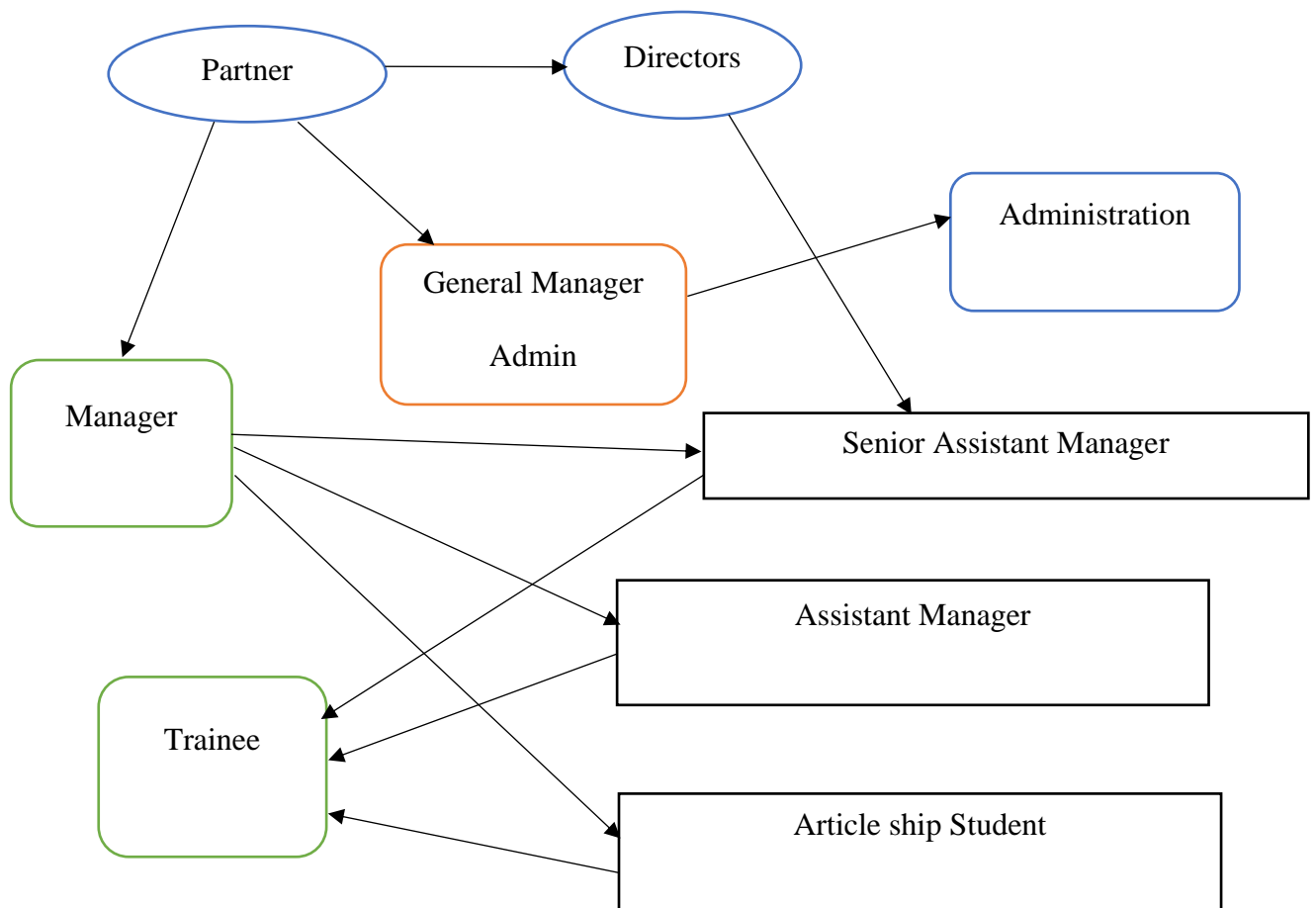


Figure 1: ACNABIN's Organizational Hierarchy

2.3.2 Human Resource

ACNABIN Chartered Accountants usually retains their best and most professional employees by increasing their remuneration as compensation of their quality work. Normally, after completing article ship period one can join into the firm as employee or can go after job in other companies.

2.3.3 Recruitment & Selection

ACNABIN Chartered Accountants has 2 types of recruitment process. One is to recruit their regular employees and another one is to recruit CA article ship students. In order to recruit regular employees like manager or admin officer firm calls for group interview where some candidates are being selected from multiple job interviewer. In contrast, to recruit article ship students' firm initially takes written exam and then short-listed ones are called for panel interview. In this case, panel interviews are held by partners or FCAs of the firm so that they can select the candidates for their respective teams.

2.3.4 Compensation

In case of remuneration of the article ship students in Bangladesh most of the CA firms follow the ICAB rules and policy. According to ICAB in the 1st year of article ship a student will get BDT 4000 and in the 2nd year of article ship the remuneration will be BDT 4500 as well as in the final year it will be BDT 5000. Though Dhaka University students get preference in terms of remuneration and conveyance allowance. Nevertheless, firms reward their employees based on employee's performance to retain competent employees. ACNABIN has its own salary scale and policy to remunerate their employees based on employee's performance.

2.3.5 Training & Development

The prime aim of training and development is to understand the subjective matter of job objective and according to that increase the work efficiency of the article ship students. That is why, every CA firm in Bangladesh arranges training session every week or once in a quarter to train their article ship students to be skilled in specific tasks. CA firms offer different types of training sessions such as training sessions on bank audit, compliance checking, tax planning etc. Hence, they also send their students to the ICAB so that they can attend special training sessions which will help their academic and professional career.

2.4 Marketing Practice

As a B2B chartered firm ACNABIN provides services in form of audit, tax and consultancy to the large business organization. The core marketing practice of ACNABIN is to uphold their brand values by providing audit service to a wide variety of clients. The following marketing practices have been implemented by ACNABIN-

2.4.1 Marketing Strategy

In the accounting service provider field ACNABIN is using the marketing strategies are “join venture and referrals. Both strategies are discussed below-

- a) **Join Venture Strategy:** The joint venture strategy dictates that there will be a partnership between 2 companies which will combine the marketing methods in order to enhance their market share, goodwill and profitability (Tang, C. 2022, April 21). At the same way, ACNABIN is doing the same thing by creating a networking partnership with the BAKER TILLY International which ranked 8th in terms of worldwide audit network so that they can grow in the market (Bakertilly Uzbekistan RSS. (n.d.). Retrieved October 22, 2022).
- b) **Referrals Strategy:** This strategy refers that service is a trust-based relationship that creates a customer base who give other proper reasoning about why they should take service from the firm as well (Tang, C. 2022, April 21). Moreover, ACNABIN has already implemented this strategy to their service market. For example, they develop good relationships with their corporate giants through providing them fine quality of audit service which help them to construct a strong trust base among their existing clients.

2.4.2 Target customer, targeting & positioning strategy

- i. **Target customer:** The main target customers of ACNABIN are large business organizations, NGO’s, apparels, Banks, Non-bank financial institutions, hospitals cement company, airlines, insurance, pharmaceuticals, charitable organizations.

ii. Positioning: ACNABIN is positioning their service by their client requirements which are given below-

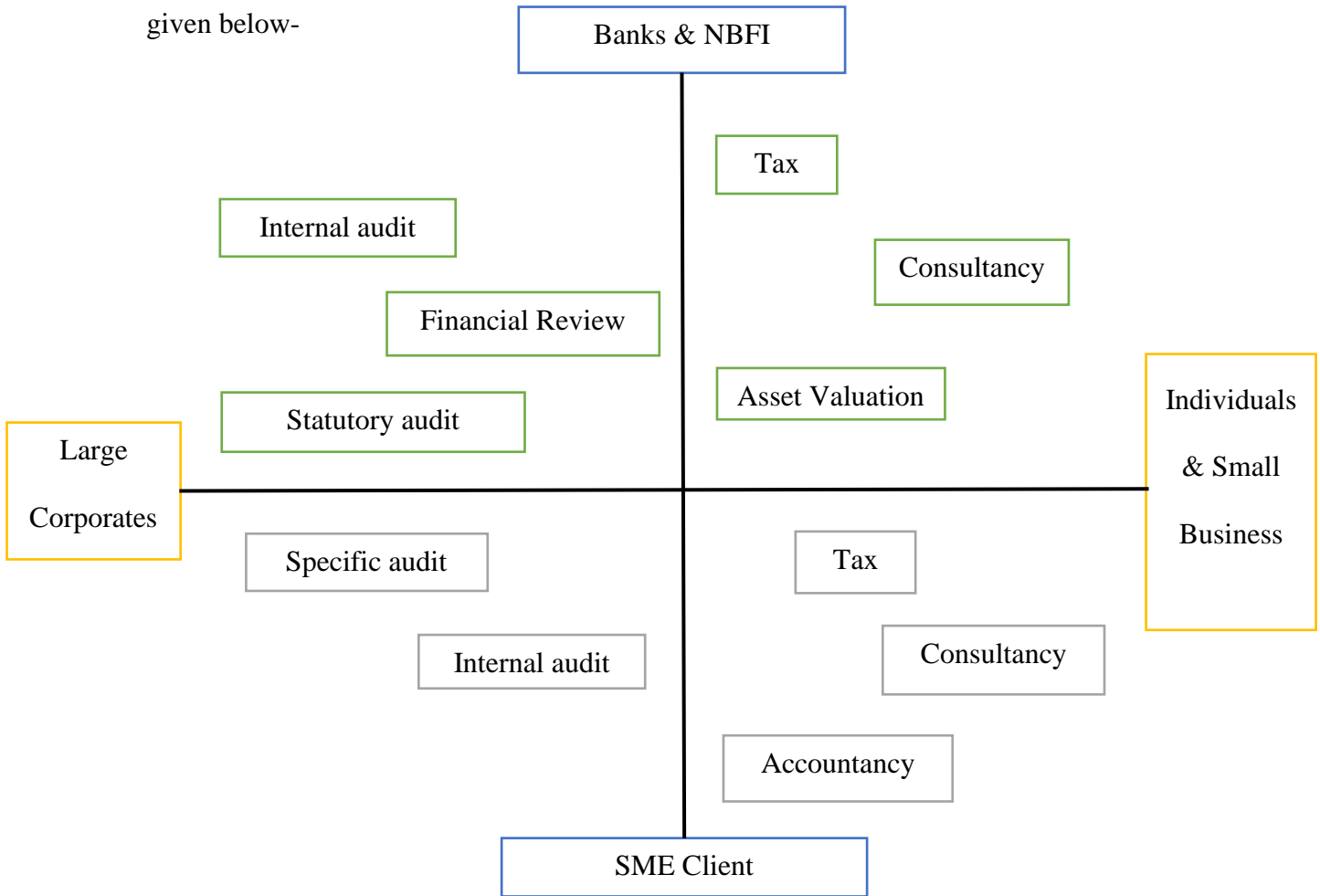


Figure 02: Position mapping of ACNABIN

From the above diagram we can see that for large corporates & bank and NBFIs ACNABIN is providing not only internal but also external, specific and statutory audit service as well as reviewing their financial statements. On the other hand, for SME and individuals & small business clients they provide tax, consultancy, accountancy and asset valuation services. Apart from that they also provide additional services as per their client request.

iii. Segmenting: ACNABIN has segmented their market based on client’s trust-based relationship and possible future opportunities. By considering the future demographic, geographic, psychographic, and behavioral aspects ACNABIN understands their clients and their future business motives which basically help them to take decision about their continuation of giving services.

2.4.3 Marketing Channels (In case of service of ACNABIN)

As a service provider ACNABIN uses direct marketing channel which is pretty much straight forward. They provide service directly to their clients.

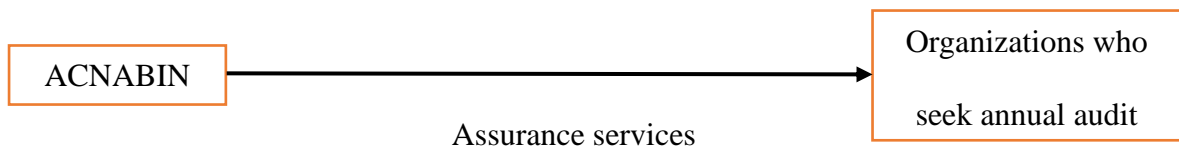


Figure 03: ACNABIN’s Service Distribution Channel

From the above diagram we can observe that ACNABIN Chartered Accountants is providing assurance services directly to their respective organizations who seek audit services.

2.4.4 Product or New product development

As a service provider ACNABIN’s product is mainly their services. For this reason they try to improve their service quality by hiring new professionals. Currently, they are focusing to improve the work quality of their professionals to compete with their rivals (ACNABIN Chartered Accountants, 2022).

2.4.5 Branding

As one of the pioneer firms in Bangladesh ACNABIN Chartered Accountants has its own brand value and goodwill. Their branding activities are following:

- a) They continue a good relationship with their large corporate clients and aid them in their day-to-day business activity.
- b) Besides, they consider their client's incentive audit on a regular basis.
- c) Similarly, they provide appropriate business consultancy service to their clients and tax planning along with implementation within the law.
- d) Henceforth, they create qualified chartered accountants within the firm. ACNABIN's one of the biggest achievements is so far 180+ qualified chartered accountants (ACNABIN Chartered Accountants, 2022).

2.4.6 Advertising & promotional strategies

For promotional activity ACNABIN uses both digital media platforms like Facebook, LinkedIn, and word of mouth. By using social media they promote their activity to their clients and by word of mouth they promote themselves to their future employees who are encouraged to study CA. Additionally, they also have their own official website which is "www.acnabin.com" from where general public can get information and insights about the firm's policy, rules, regulations and motives.

2.5 Financial Performance and Accounting practices

2.5.1 Financial Performance

Since ACNABIN is a private limited firm, it follows a rigid policy in terms of maintaining the confidentiality of their financial statements. Normally, they follow an established system for sustaining their financial performance. This is the reason behind the healthy growth rate of their total service revenue. In addition, it is projected that for the last 5 years the firm has had a positive turnover compared to the other competitor firms in Bangladesh (ICAB, 2022).

2.5.2 Accounting Practices

ACNABIN Chartered Accountants ensures that accounting standards which are usually followed by the ICAB (ACNABIN Chartered Accountants, 2022). ACNABIN applies those policy to prepare all the years financial statements. The framework OF ISA 1, presentation of financial statements, has been applied by the firm in preparation and presentation of financial statements. In order to prepare their financial statements, the core accounting principles are as follows:

Accounting standards: According to International Financial Reporting Standards (IFRS) and other applicable laws and regulations firms prepare their financial statements under the historical cost convention method (ICAB, 2022).

Accounting method: ACNABIN Chartered Accountants usually follows the accrual basis concept of accounting practices where they recognize their revenue on accrual basis. But they recognize their expense both on accrual and cash basis concept.

Accounting cycle: Apropos prepare financial statements CA firms used to follow an annual yearly cycle. These one-year financial statements start from 01 July 2020 to 30 June 2021 (ACNABIN Chartered Accountants, 2022). ACNABIN maintains periodicity assumptions and a particular fiscal year to record their transactions as well as they use going concern assumption which depicts that their firm will be everlasting and will keep continuing their financial activities in future days as well.

Depreciation methods: The firm follows ISA-16 which is called Property plant and equipment regarding depreciation of their fixed assets. In this case, they apply declining balance method to measure their fixed assets like office equipment and furniture fixtures. Either at historical cost or fair value the firm uses the measurement principle so that they can record the price of their fixed assets. Besides, they follow historical cost to record depreciation expense and after that from the fixed costs they deduct the cumulative depreciation.

Accounting disclosures: Inasmuch as ACNABIN Chartered Accountants is a private limited firm, they do not follow full disclosure principle regarding financial statements. Even though they strictly maintain the confidentiality of their financial information. Therefore, they embed “IFRS 7 Financial instruments: Disclosures to their stakeholder or the partner of the firm but doesn’t disclose financial data to any outsider such as investors.

2.6 Operations Management and Information System Practices

2.6.1 Operations management

The main operation of ACNABIN is to give statutory audit service to their business clients. Other than that firm can give tax and consultancy services where operation is not required. Here, firm prosecutes direct approach to serve their clients. The operation diagram of ACNABIN is following:

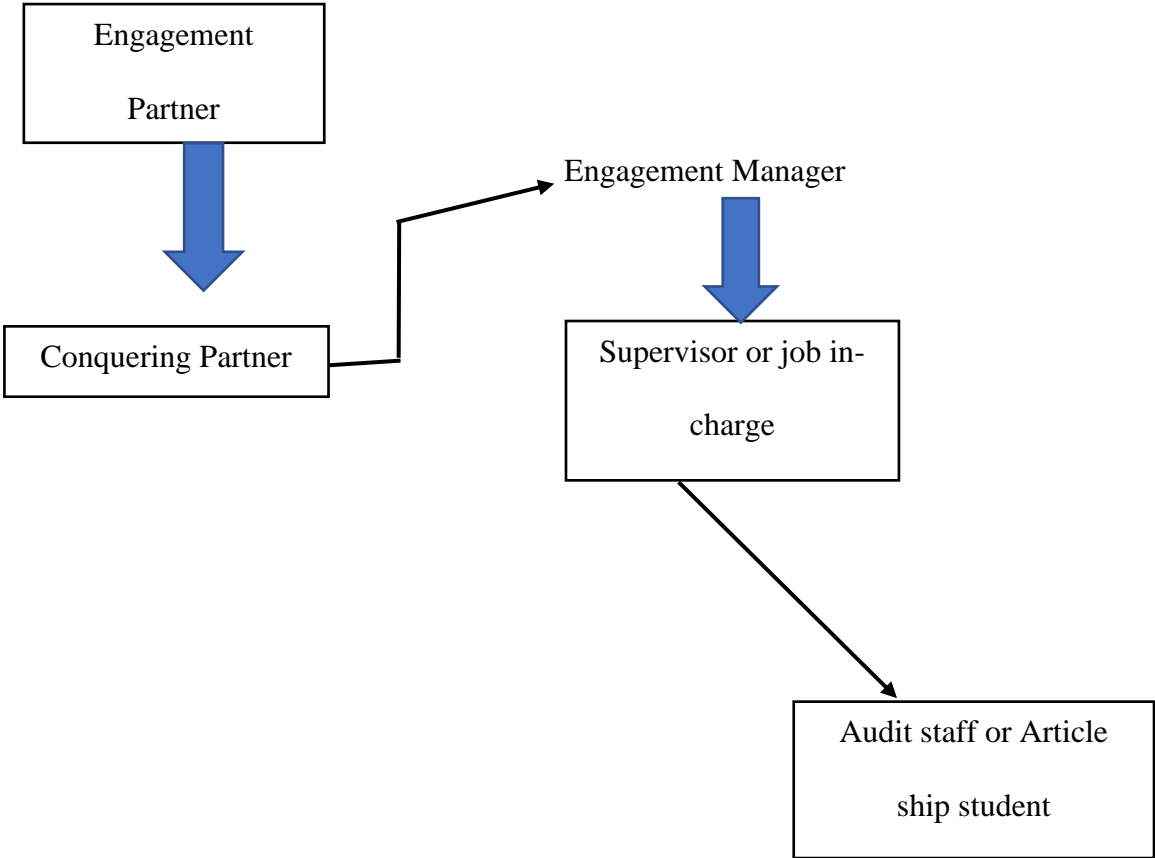


Figure 04: Operation organogram of ACNABIN

From the above diagram we can see that to conduct an annual audit the firm has to follow this operation organogram. Initially, the firm has to sign up with an engagement procedure with the conquering partner. After that the conquering partner moves forward the audit responsibility to the engagement manager who next appoints the job responsibility to the supervisor or job in-charge. At the end, the job in-charge detruncates the tasks to the senior article students or the audit associates (Nayon, M. R. H. 2015).

2.6.2 Information system practices

Normally firms use the information systems for gathering, storing, analyzing data and communicating that data with the stakeholders and the clients (Hossain, M. 2021). Currently, ACNABIN is using ERP based information systems in the sake of storing, collecting and processing data for their client, staff and stakeholders. By using ERP software, they are keeping their staff's daily work activity records. Each and every member of staff of ACNABIN has their own ERP login system where they can give their job ticket entry for their audit client as well as they can also give time sheet entry for their attendance through this system. Moreover, the firm also has its own database where they can keep their client's information accordingly. As the client's information is immensely confidential, the database only has access to the firm's partners. Because ACNABIN is bound to follow the ICAB rules and according to ICAB every CA firm normally must preserve the audited information in their own database for more or less than 5 years (ICAB, 2022).

2.7 Industry & Competitive Analysis

2.7.1 Porter's Five Forces Analysis of ACNABIN

The porter's five forces analysis of ACNABIN are following:

1. Threat of new entrance-High

Nowadays new CA firms are forming to provide better quality of audit service like Anika Sultana & Co, the prominent rivalry in the audit industry. These new firms are creating treat for the ACNABIN to retain their clients.

2. Threat of substitution-Low

As there are no alternative method against auditing as well as tax planning, ACNABIN does not have any substitution in the market. Additionally, for every listed company it is mandatory to conduct audit annually. That is why, there is no threat of substitution for ACNABIN.

3. Bargaining power of suppliers-Medium

In Bangladesh suppliers of CA firms are the future CA, article ship students and the current audit professionals. Since there is a set of policy implemented by the ICAB about article ships, the firm faces low bargaining power in case of hiring article ship students. Whereas firm faces some bargaining power regarding hiring the professionals who are quite experienced and asked for higher remuneration for their services. Though ACNABIN doesn't bother about it since they have great brand value in the market.

4. Bargaining power of buyers-High

The buyers of CA firms are basically their clients. The bargaining power of ACNABIN's clients are quite high. Because in the market like ACNABIN there are so many renowned CA firms. For instance, they are Rahman Rahman Huq, Hoda Vasi Chowdhury & Co, Howladar Yunus & Co, Qasem & Co, Syful Shamsul Alam and so on (Scribd. 2022). For this reason, clients of ACNABIN can easily switch firms alongside their service quality.

5. Rivalry among competitors-High

As per ICAB statistics there are around 164 CA firms in Bangladesh (ICAB, 2021). For this reason, there is huge competition of attracting clients among the current rival firms. The CA firms are rated by its category like A, B & C. A category firms are the in case of quality of services. In Bangladesh A category firms are more than 50 among 164 firms. Consequently, it depicts that there is an immense rivalry among the existing competitors for ACNABIN as itself an A category firm.

2.7.2 Differentiation Strategy

Since the competitors of CA firms are increasing day by day, ACNABIN has come up with a differentiation strategy to cope with the competition. In this case, they differentiate their audit service quality as per their client's requirement. This creates a good bonding between the firm and the large business organizations.

2.7.3 SWOT Analysis of ACNABIN

The SWOT analysis of ACNABIN is the following:

- 1. Strength:** The prime strength of ACNABIN is its brand value in accounting field as it is one of the best chartered accounting firms in Bangladesh who has a joint venture with BAKER TILLY International which adds extra value in their branding. Further, they are producing vast amount of qualified chartered accountants and professionals every year. Furthermore, they have a huge client list to serve since they are well connected to the renowned corporate giants. Finally, the existing partners of the firm have a very good linkup with ICAB which brings a huge edge to their business.
- 2. Weakness:** The key weakness of ACNABIN is their work environment as their internal environment is not so good for work. Additionally, excessive work pressures and deadlines are given to the article ships and professionals which is not appreciable. Next, since CA passing success rate is low, there is a vast deficiency of articulated students. As a result, the firm recruits inexperienced students and sends them to audit service which lowers the assurance quality. Further, as a client's office is far away then home office, audit professionals face a huge geographical disadvantage which causes the loss of experienced professionals after completion of their article ships. At last, the firm's employee retention policy is really poor compared to other firms in Bangladesh.

- 3. Opportunity:** In favor of CA firms recently few policies have been implemented by ICAB. For instance, DVC policy has been introduced by ICAB which can help firms to further justify their annual reports and statements (Nath, B.B 2022). Hence, a new DVC policy has been launched by ICAB which can help firms to store their documents effectively (ICAB, 2022). Additionally, new startup businesses are emerging in Bangladesh that can be the next future potential clients of ACNABIN. Lastly, growing economy of Bangladesh also supports these new businesses to grow further which can be benefited for ACNABIN.
- 4. Threat:** New entrance of potential CA firms is a huge threat for ACNABIN. For this reason, many current clients of ACNABIN can switch their firms to cut the audit cost. In addition, it is very difficult to maintain the confidentiality of the clients as there are working professionals and non-professionals. Thus, clients can sue ACNABIN if their confidential information is leaked out. At the end, lack of qualified CA professionals is another threat for ACNABIN as everyone is not willing to do CA, ACNABIN finds difficult to get ample number of qualified professionals.

2.8 Summery & Conclusion

Chapter 2 basically describes the background information of ACNABIN Chartered Accountants, their vision, mission, objectives, and the services given by them. Next, this chapter talks about management practices, leadership and decision making, human resource planning, recruitment and selection, compensation, training, and development process. Then, this chapter focuses on marketing practices like marketing strategy, targeting and positioning strategy, segmenting, marketing channels, product development and branding activities. Later on, in the financial and accounting practice area this chapter expresses the last five years highlights and general accepted accounting principles and practices by ACNABIN. Afterwards in operation management and information system this chapter describes about the ERP system of ACNABIN. Last but not the least, in the industry and comparative analysis this chapter focuses on porter's five forces, differentiation strategy and SWOT analysis of ACNABIN.

To sum up, it can be said that ACNABIN Chartered Accountants is one of the pioneer CA firms in Bangladesh who have been doing business for more than 35 years and received so many ICAB rewards and added vast value in the auditing services in Bangladesh.

2.9 Recommendation

There are some recommendations that ACNABIN can follow for their future betterment.

ACNABIN can be better by

- ✓ Improving their work environment through leveling their work pressure among article ship students
- ✓ Creating better policies for their present employees to retain longer in the firm
- ✓ Training article students more to improve their work efficiency
- ✓ Creating a more educational friendly environment for the article students as everyone's premier objective is to be a chartered accountant.

Chapter 3

Project Part: Audit Procedures of a Chartered Accountants firm: A

Study on ACNABIN Chartered Accountants

3.1 Introduction

It is auditing, which is an important part of the organization's compliance efforts. Audit can enable dictating conduct which may violate the federal and state laws or identify weaknesses in the claim development and submission process through proper execution. Mainly audit procedure is an auditor's technique to gather audit evidence in order to substantiate the reliability of the accounting records. In this case auditors evaluate the evidence that whether the information presented here is logical and reasonable or not. Audit procedures can be on fixed assets, bank confirmation, evaluation of internal control, appraising management's activity and obtaining management representations. However, in this report I would like to show the step-by-step audit procedures which ACNABIN Chartered Accountants follows in their firm.

3.1.1 Literature Review

According to ICAB a summarized version of audit procedures is planning, collection of evidence, controlling and recording, review and opinion which can be found in AP four steps. Bangladesh Standards on Auditing usually emphasizes on the importance of the necessity for the standard documentation of the client's planning note. Planning documents comprehend the temperament of the entity's business, scheme of conducting the business, the risks entangled and their effects on the business as well as leaps taken by the auditor to audit the company. Next, by physical examination, confirmation, inspection, analytical procedures, inquiries, recalculation, performance, and observation audit evidence are collected. Further, collected evidence is evaluated based on assessment and recorded data and documents. At the final stage after completing the discussion between the management and the auditors regarding audit report managing partner of the firm give review of the report and issue a final opinion. Audit Practice Manual (APM) suggests the following audit process:

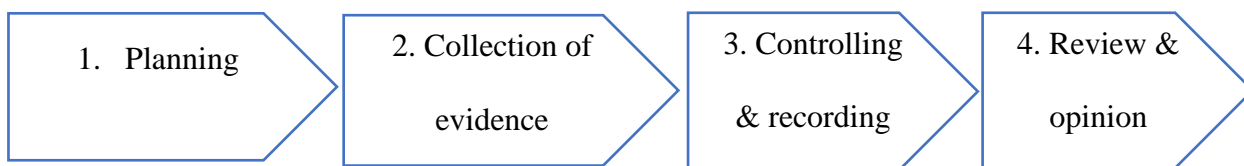


Figure 05: Audit Process

1. Planning

Planning is significant for 2 reasons. One is it is a requirement of BSA and another one is it is the key to successful auditing and would be part of the APM approach even if there was no requirement for it in BSA (FILEPDF BD. n.d. 2022). Client specific planning can be the following:

- What the company does?
- How does it operate its business?
- Where are the risks and problems?
- How their business will be audited?

Planning will be completed by assessing the risk and materiality, analytical review and finally a test of control.

2. Collection of audit evidence

Audit evidence can be collected by audit sampling and from the sample data evaluating the errors.

- **Audit sampling:** Sample data will be collected from the client's population data set for testing whether there is an error. The sufficiency of sample sizes can be determined by the exercise of judgement. The bigger the sample sizes there will be less chance of errors.
- **Evaluation of errors:** Through audit testing errors can be found that must be evaluated so that auditors can determine their impact on the population being tested.

3. Controlling and recording

In this phase, using the documentation auditors assess the risk from the business environment in which the entity operates, the operation of the entity's control systems, the failure of audit procedures. In addition, auditors must measure whether there is a material misstatement or not on the documentation given by the clients. If the accounts are free of material misstatement, it will give true and fair view. In accordance with IASB Framework information will be material if its misstatement can influence the economic decision of users taken on the basis of the financial statement.

After collecting enough samples from the population documents, it is essential to record in double entry systems so that the proper recording of the transaction can be determined. This system aids to observe whether the accounting procedure used by the clients is correct as well as what can be the implication of the given journal.

4. Review and opinion

This section focuses on how partners can review the overall audit and form an opinion. There are some checklists provided by APM through which partners can review the performance of the clients. The checklists are partner completion, audit completion, audit standard review questionnaire, internal control system questionnaire, critical review of accounts questionnaire, justification of audit report. After getting satisfied answers of that checklist's partners give opinion about the clients.

3.1.2 Research Objective

The broad objective of this study is to know about the audit procedures of ACNABIN Chartered Accountants.

To accomplish the broad objective, the six specific objectives of the study are:

- I. To know about the process of appointing auditors to perform the audit work on the client's financial statements
- II. To find out the initial planning of the audit included evaluating compliance along with ethical matters and forming appropriate audit team members.
- III. To assess the risk of material misstatement that can occur on the client's financial statements.
- IV. To know how to construct an audit report by conducting audit test on the client's accounts.
- V. To know about how to perform overall review of financial statements of audit report.
- VI. To pinpoint the issues associated with the audit report by giving our CA firm's opinion on financial statements from our observations of their overall documentation.

3.1.3 Significance of the Study

The existent study contributes to our knowledge which is basically related to audit procedures in a CA firm. Purpose of this report is to highlight the stages of audit procedures in Bangladesh. Among all the stages documentation will be more focused. In order to audit a company's financial statements initially auditors prepare initial document requisition and through which they ask related documents of their works. Afterward they get management response about their audit scope. After getting all the documents auditors analyze and evaluate those documents and give their observations in the audit report according to company and Bangladesh government policies. Based on those observations, the audit team finalizes the audit report of their potential specific clients. Afterwards the audit team sends the audit report to the in-charge of the audit team to review the report. After reviewing the report, the audit team in-charge transmits that report to the supervisor manager under the respective partner. At the same way supervisor again reviews that report and finally deputizes that report to the partner. Lastly, partner of the firm review and give his/her final opinion about the report. Last but not the least, the reader of this report will get a clear idea about the audit procedure of a CA firm in Bangladesh.

3.2 Methodology

The project focuses on the audit procedures that ACNABIN Chartered Accountants follow in its CA firm in the context of Bangladesh. In order to conduct this research few information has been taken from primary sources and other information has been gathered from secondary sources. In terms of primary sources observation and interview method have been followed where I have interviewed a senior article student, a supervisor who is deputy manager of ACNABIN, a director of ACNABIN and a partner of ACNABIN. On the other hand, in case of secondary sources data has been collected via google, google scholar, different journals that has been already published. Later, implications of audit procedures in ACNABIN have been discussed thoroughly. The brief methodology of my research objectives is explained following-

In this project objective 1 and objective 2 methodology are based on my observations from working in ACNABIN for the last 3 months. In order to justify the method this particular method will give a clear view about the auditor's appointment and the initial planning for the audit of ACNABIN.

On the contrary, objective 3 and objective 4 methodology are based on secondary data collection method which is google scholar and google and some websites. In order to justify the method some statistical data have been presented.

Objective 5 methodology is based on taking interviews from the supervisor and senior article students of the firm.

Lastly, objective 6 methodology is based on conducting interviews and interpersonal observations. To justify the method information is directly taken from director and partner of ACNABIN Chartered Accountants firm from where analysis of my projects has been found.

3.3 Findings and Analysis

This part mainly highlights the specific objectives so that the broad objective can be met. One of the key objectives of the project is to find out whether there is a material misstatement on the documentation which is collected from the client from the audit purpose. As an both internal and external auditor I have tried by best to fulfill the objectives. That is why the project has presented both qualitative and quantitative data and found out the implications of effectiveness of audit process in ACNABIN Chartered Accountants.

3.3.1 Analysis on the process of appointing auditors to perform the audit work

From my observations it can be stated that there are different procedures for different clients for appointing auditors to perform the audit work on the client's financial statements at ACNABIN.

Audit engagement with new clients

In the case of a new client's audit engagement will be classified into four steps. Firstly, there will be published a circular by new clients as advertisement or new clients can directly choose a firm on their own. Clients ask for proposal letter from the firm when they directly choose a firm. Regarding this as a customer due diligence firm investigates whether there is any threat of accepting a new client or not. Afterwards, they mention cost and time will be needed for the whole audit. Secondly, after finalizing the financial and technical terms ACNABIN Chartered Accountants transmits a proposal letter to their respective client where the interest of firm along with approximate time and charge of delivering service have been mentioned. Thirdly, if all the requirements and conditions are matched with the firm, client accept the firm's proposal letter and then makes a letter of contract and sends it to the ACNABIN Chartered Accountants. Finally, ACNABIN Chartered Accountants deputizes a confirmation letter to the management of the client's company whenever they receive the contract letter from their client.

Audit engagement with the current clients

In contrast, in the case of existing clients, the clients directly transmit an appointment letter to the ACNABIN Chartered Accountants by requesting their services for the forthcoming year. ACNABIN sends a confirmation letter to the client if they accept their proposal.

Direct appointment by the clients

On the contrary, the companies who are specifically interested in getting service from ACNABIN can directly transmit an appointment letter to the firm. After analyzing whether the proposal will be profitable or not ACNABIN can send a confirmation letter to the company, or they can also reject the proposal and send a letter of rejection mentioning the reason if ACNABIN thinks that the proposal is not deemed to be profitable.

3.3.2 Analysis on the initial planning of the audit and forming appropriate audit team members

From my observations it can be portrayed that to do initial planning of audit and team formation based on IFRS and ISA ACNABIN Chartered Accountants considers some issues to identify its goal.

Irregularities: If there are any irregularities, risks will be involved in it. So, coordination and consistency are a must for audit planning.

Errors: According to APM, to provide reasonable assurance errors should be found. Therefore, regarding initial planning material error detection is significant.

Efficiency: At this stage auditors should pay attention to whether they audit the whole year of information in a short span of time. In case of team formation efficiency will be an essential part of the firm.

Developing effective and efficient audit plan

Apropos doing initial planning ACNABIN knows the client's business nature. That is why, they collect and evaluate the initial information about internal control system, accounting & recording policy, vision, mission, objective, strategy, potential and present buyers, and sellers of the clients, identifying client's expectation, consideration of materiality, review of financial statement of the client's company. In addition, to check the client's business's internal control system ACNABIN audit team prepared an internal control questionnaire. Then, they assess some general and specific risks and check the materiality of the errors and develop an audit plan for their respective client.

3.3.3 Analysis on assessing the risk of material misstatement that can occur on the client's financial statements

In this stage I have analyzed how auditors of ACNABIN Chartered Accountants can assess the risk of material misstatement that can occur on the client's financial statements. In accordance with APM two types of risks can be found in CA firm like ACNABIN. They are general risk assessment and specific risk assessment. General risks are mainly the risks which are associated with internal control over financial reporting. To assess the general risks auditors of ACNABIN use top-down approach. Specific risks are related to accounts such as accounts receivable, inventory, supply chain, sales risk etc. (Sarkar, S. 2020). In both cases, auditors of ACNABIN have checked the materiality of the risks as per the guidelines of ICAB. The level of materiality is a matter for professional judgement which is described in the table below-

Range of turnover or gross asset	% Of turnover or gross asset	% Of profit after tax	Materiality ranges
Tk.0 Crores - Tk.5 Crores	3	10	Tk.1 – Tk.15 Lacs
Tk.5 Crores - Tk.10 Crores	2.5	10	Tk.15 – Tk.25 Lacs
Tk.10 Crores - Tk.20 Crores	2	10	Tk.25 – Tk.40 Lacs
Tk.20 Crores - Tk.56 Crores	1.5	10	Tk.40 – Tk.84 Lacs
Over Tk.56 Crores	1	10	Over Tk.84 Lacs

Table 02: Materiality

3.3.4 Analysis on conducting the audit test to construct an audit report

In this phase I have analyzed how ACNABIN Chartered Accounts can construct an audit report by testing various audit assertions on the client's accounts. This stage is basically a practical work stage. In this stage auditors of ACNABIN put the actions of their plans which are formulated till now. Apropos validate the evidence different types of tests are performed. To assess general risks from the documents, auditors use a test of control method. On the other hand, to assess the specific risks auditors of ACNABIN use substantive test. Auditors go through all the documents and afterwards using the technical compliance tests verify the IT system. After verifying the IT system auditors accumulate all the papers and audit evidence.

3.3.5 Analysis on how to perform overall review of financial statements of audit report

In this stage I have conducted interviews to find out about how the auditors of ACNABIN can perform the review of financial statements of the client's audit report. Regarding this issue one interviewee who is a senior article student of ACNABIN told us that after testing all the relevant documents of client's company's financial statements they collected audit evidence and finalized the audit report. Initially, they handed it over to their audit team in-charge for initial review. Completing the initial review audit team in-charge sent the audit report to the respective supervisor of the firm. Another interviewee who is a supervisor of ACNABIN told us that they collected audit reports from the audit team in-charge and then reviewed them thoroughly. Next, they sent them to the partner of the firm to the final review of the report. A partner of ACNABIN reviewed the audit reports more than once and auditors re corrected them at the same way and then finally audit reports had been finalized.

3.3.6 Analysis of giving the opinion by the partner of CA firm on financial statements from their observations of their overall documentation

In this phase I have interpersonally observed the activities of the auditors and conducted interviews from director and partner of the firm about the issues which is associated with the audit report and the opinion CA firm's partners given on financial statements from their observations of their overall documentation. One interviewee who is a director of ACNABIN Chartered Accountants told us that after evaluating audit evidence material misstatements are taken into consideration. In this case auditors of ACNABIN assure that they have collected appropriate and sufficient evidence. If they do not collect them properly, then additional steps will be taken. After that auditors of ACNABIN make a comparison of collected evidence to the planning materiality figure to detect misstatements. Then they analyze the total misstatements so that they can determine whether there is any materially misstatement of financial statement or not. If there are any material misstatements found, then it will be discussed with the management of the firm. Next, the management will clarify the reason for the deviations and remaining issues which are listed. Regarding this issue another interviewee who is the partner of ACNABIN Chartered Accountants told us that if the accumulation of the issues is the reason of the financial statement to be materially misstated, then ACNABIN Chartered Accountants will issue a qualified opinion. On contrary, if the accumulation of the issues is not the reason behind the financial statement to be materially misstated, then ACNABIN will issue an unqualified opinion. Finally, based on all the collected evidence audit reports has been compiled and communicated with the clients.

3.4 Summary and Conclusion

To sum up it can be said that from my observations and conducting interviews as well as incorporating different websites I have analyzed the audit steps of audit procedures ACNABIN Chartered Accountants follow in their audit services. Initially, I analyzed the process of appointing auditors to perform the audit work. In this process, I have described how ACNABIN creates audit engagement with their existing and new clients. Next, I analyzed the initial planning of the audit and the formation of appropriate audit team members. In this case, I have considered the irregularities, errors and efficiency issues to develop an effective and efficient audit plan. Further, I analyzed how auditors assess the risk of material misstatement that can occur on the client's financial statements. Regarding this issue I applied the guideline of ICAB where the range of materiality based on gross asset has been portrayed. Furthermore, I analyzed how auditors can construct audit report by testing various audit assertions on the client's accounts. In terms of this matter for assessing general risk auditors use test of controls and for measuring specific risk they use substantive test. Moreover, I analyzed how the auditors of ACNABIN perform overall review of financial statements of client's audit report. Before sending the audit report to the clients many times that report has been reviewed. Lastly, I analyzed how the partners of CA firm like ACNABIN give their opinion on the client's audit report from their observations. After doing so many reviews of the audit report, partners of ACANBIN conclude whether there is any material misstatement of the financial statement or not as well as issue an opinion.

3.5 Recommendations

In future to give better service to the clients ACNABIN Chartered Accountants should improve some areas of their audit process and future research can be done on that. First, they should focus on their internal work environment. Normally, we know that to do better work employees want a good work environment. Second, ACNABIN should know how to balance in case of giving work pressure to their article students and CA professionals. That is why the directors and partners of ACNABIN should give attention to the supervisors so that supervisors cannot put excessive pressures to their subordinates. Third, the firm should recruit more experienced CA professionals so that they can guide and train junior article students to do better service in the audit process. At the final stage, the firm should concentrate on the employee retention policy as the employees of ACNABIN face geographical disadvantage in case of going to the client's office. For this reason, ACNABIN should motivate their employees by offering lucrative allowances, adding mobile bill facility, transportation facility and building a cafeteria in their home office. In conclusion it can be said that this research will help the ICAB students who are currently pursuing CA as a career and willing to do CA in future.

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Appendix A.

Table of Interviewee from ACNABIN

Serial No.	Designation	Research question
1	Senior article ship	<ol style="list-style-type: none">1. What are the audit procedures that we can see at ACNABIN Chartered Accountants (CA) (a reputed CA firm in Bangladesh) regarding documentations?2. How can the auditor assess the risk of material misstatement which sometimes occurs on the client's financial statements?

2	Deputy Manager	<ol style="list-style-type: none"> 1. What is the initial planning of the auditors? 2. How can auditors collect required audit evidence?
3	Director	What are the issues which are associated with the audit report?
4	Partner	<ol style="list-style-type: none"> 1. What is the process of appointing auditors to perform the audit work on the client's financial statements? 2. What is the process of overall reviewing the client's financial statements?

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