

Report On  
Internal Audit Structure of Bengal Group of Industries

By

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

BRAC Business School (BBS)  
BRAC University  
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## **Declaration**

It is hereby declared that

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

**Student's Full Name & Signature:**

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**Md. Zubair Alam Sayket**  
18204037

**Supervisor's Full Name & Signature:**

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**Dr. Suman Paul Chowdhury, PhD**  
Associate Professor &  
Area Director-Accounting & Finance  
BRAC University

## Letter of Transmittal

To,

Dr. Suman Paul Chowdhury, PhD

Associate Professor &

Area Director-Accounting & Finance

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on "Internal Audit Structure of Bengal Group of Industries"

Dear Sir,

A document labeled "Internal Audit Practices and Process Development of Manufacturing Company: Evidence from Bengal Group of Industries" is included throughout this study. This is significant in the context of the BBA. I appreciate you allowing me to participate in the BRAC Business School internship program under your supervision. Learning under your direction was both an excitement and a challenge for me. Moreover, it was great to deal with the Bengal Group of Industries. The report has also been improved to the best of my ability into a short and detailed summary that contains the essential data and suggestions.

Finally, I would like to convey my greatest thanks for all your cooperation with this report's preparation. I had already worked very hard to ensure that the completed report incorporates all important recommendations and information in the most accurate, accomplished, and thorough manner possible.

Sincerely yours,

---

Md. Zubair Alam Sayket

18204037

BRAC Business School

BRAC University

Date: October 2, 2023

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between Bengal Group of Industries and the undersigned student, Md. Zubair Alam Sayket, at BRAC University.

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Md. Zubair Alam Sayket

ID: 18204037

BBA program

BRAC Business School

BRAC University.

## **Acknowledgement**

It brings me great pleasure to appreciate the advice, guidance, assistance, and work of knowledgeable people, to whom I express my thanks; without them, I would not have been able to finish my report.

First of all, I would like to express my appreciation to my esteemed supervisor, Dr. Suman Paul Chowdhury, Ph.D., Associate Professor, and Area Director-Accounting & Finance at BRAC University, for his clear direction and help with this assignment. He has consistently made crucial ideas that are necessary for finishing this job.

Thanks also to my co-supervisor Dr. Md. Arif Hossain Mazumdar, Ph.D., Assistant Professor, at BRAC University, for his comments on my project proposal, which made it possible for me to put this report together perfectly.

I would like to express my sincere gratitude to the Bengal Group of Industries for their assistance and support throughout the time. Last but not least, I would like to thank one of my prestigious supervisors, Md. Khorshed Alam, GM, Internal Audit of BGI, for his essential advice on how to advance my auditing competence. Without his aid, which was enormous, none of this would have been feasible for me in this short time.

## **Executive Summary**

The report is an internship report for the BBA program, aimed at providing practical work experience related to bookish knowledge. As an intern in the Internal Audit Department at BRAC Business School, the report focuses on the internal auditing structure of the Bengal Group of Industry. The manufacturing industry is a progressive hi-tech sector contributing to the national economy and faces increased competition. The report aims to provide an overview of the internal auditing practice structure, the current situation of BGI, and the organization's business performance. The scope of the report is based on internal audit working process reports, website, and communication with BGI managers and executives. The methodology involves collecting data from both internal and external sources, including interviews, questionnaires, books, and publications. The overall response to the assessed financial statement level risks of material misstatement, the sort, time, and scope of future audit processes, the link between those procedures the assertion level risks of material misstatement, and the audit procedures' conclusions. It is necessary to understand the major features of a payroll system and be able to spot flaws in a particular system. After three months of experience and doing the report, I got a short overview of the Internal Audit Structure system. Let's have a look in brief...

**Keywords: Internal Audit, External Audit, Process Development, Accounting Practice, Financial statement.**

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## List of Acronyms

BGI: Bengal Group of Industries

Internal Audit (AI)

B.B.A. stands for Bachelor of Business Administration.

APM stands for Audit Practice Manual.

ERP stands for enterprise resource planning.

NOC: Certificate of No Objection

SOP stands for Standard Operating Procedure.

SOD stands for Scope of Development.

The Institute of Chartered Accountants of Bangladesh is abbreviated as ICAB.

Internal Audit Function (IAF)

IAD stands for Internal Affairs Division.

UNFPA stands for the United Nations Population Fund.

DFID stands for the Department for International Development.

ILO stands for International Labor Organization.

FAO stands for Food and Agriculture Organization.

IFAD stands for the International Fund for Agricultural Development.

ODA stands for official development aid.

ISPPIA stands for International Standards for Professional Practice in Internal Auditing.

## 1.0 Chapter 01

### Internship Outline

#### 1.1 Information of the Student

The internee's name: Md. Zubair Alam Sayket

BRACU ID: 18204037

Program of Study: Bachelor of Business Administration, or B.B.A.

1<sup>st</sup> Major: Accounting

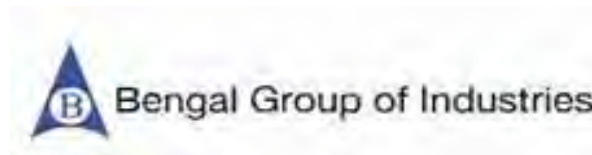
2<sup>nd</sup> Major: Computer Information & Management (CIM)

#### 1.2 Information about the Internship

##### 1.2.1 Period and Company Info

Time: Three months (12 weeks). From 23 February 2023 to 25 May 2023

Company Name: Bengal Group of Industries.



*Figure 1: Name & Logo*

Address: 75 Gulshan Ave, Gulshan Model Town, Dhaka, 1212, Bangladesh

##### 1.2.2 Internship Workplace Overseer's Info

Name: Md. Khorshed Alam

Position : General Manager, Internal Audit Department of Bengal Group of Industries.

##### 1.2.3 Job Responsibilities

I have been at Bengal Group of Industry as an intern for 3 months, starting from 23/02/2023 to 25/05/2023. My responsibility for this entire period was practicing internal audit procedure, factory Visiting, pre- and inventory audit, CS documents checking, Bill and voucher auditing and Investigation, and the factory I visited which is situated in Savar, Zirani, and Zirabo Zone, Dhaka. Most importantly, I had to go outside of Dhaka several times. Mainly focus on Auditing

government tenders which are taken by Bengal Group. Government organizations need our products for the development of general people. We do audits for government requirements, what we deliver to them, confirm for changes if needed, and lastly, bill paying by government authorized persons by bank cheques.

During my internship, I gained an understanding of how a firm and its employees operate, and I realized how crucial collaboration is in every situation. As I grew older and had to cope with some difficult situations, the program also benefited me in many other ways, teaching me the importance of patience. My time spent here has also aided in the development of my management, audit strategy, voucher and bill auditing, CS document verification, audit defense, and audit investigation abilities.

It takes a lot of time to fully comprehend the roles and responsibilities of an auditor in only three months. But the Bengal Group of Industry has mostly given me the knowledge to:

- Be responsible for my action
- To work alone and in a group
- To interact with employees and members of the company
- Be punctual and logical
- Be a smart and efficient worker

### 1.3 Tasks Perform at BGI Internal Audit Team:

Being an intern, I was given minute tasks at the Bengal Group of Industry. I made an effort to help in whatever way I could and gave my all to the responsibilities at hand. The following were the tasks I performed at the BGI:

- ❖ Checking SCM-CS Documents, Market Analysis, and Feasibility Analysis
- ❖ Monthly Salary of Respective Concern Before Disbursement
- ❖ Factory Visiting, Pre & Post Inventory Checking
- ❖ Plan and perform Special Investigations into Suspected Cases & Areas
- ❖ Wastage Delivery Auditing
- ❖ Physical Cash Counting
- ❖ Feasibility Analysis with senior member

## ❖ Market Visits and Product development

### 1.4 Plan & Perform Surprise Audit & Investigation:

The methods are less predictable in a surprise audit since they adhere to a different process or timeline. For instance, a surprise audit can start with vendor setup or payment processes rather than cash or receivables at the beginning of the auditing process. During my internship period, I visited two BGI-Factories surprisingly. The whole procedure is unpublished and does not plan/schedule. We went there and did an inventory audit, raw materials calculation, HR procedure, and operational prospectus.

### 1.5 Factory Visit:

During my internship period, I visited the Zirani and Zirabo- Savar factory many times. Here we do an inventory audit. Checking challan, HR attendance regulation, operation procedure and wastage, and tender cases.

An evaluation of a supplier's performance that takes place at the manufacturing plant is known as a factory audit. An auditor assesses their systems, capacity, workplace environment, or capabilities to ensure they meet your requirements as a buyer. The last stage in vetting a new supplier or a tool for continuing supplier management with an existing supplier includes factory audits.

### 1.6 Feasibility Analysis & Forecasting:

During my internship period, I did many more feasibility analyses and forecasting reports for audit purposes. We do it in market analysis, special audit investigation, HR & SCM documents analyzing and evaluating reports, and factory purposes.

Four main elements go into a feasibility analysis which I do:

- Technical feasibility,
- Financial feasibility,
- Market feasibility (or market fit), and
- Operational feasibility

While there is a wide range of frequently used quantitative budget forecasting tools in my internship period, I focus on the top four methods:

- ✓ Straight-line
- ✓ Moving average
- ✓ Simple linear regression, and
- ✓ Multiple linear regressions.

### 1.7 Experience:

I've learned the value of being on time, polite, responsible, and surprised by how much I like using my academic skills in the actual world. It was exciting and challenging all at once since this was my first time working in a professional environment.

I was a little shy on my first day at work, and my voice started to tremble. I couldn't figure out what to do or what not to do. I eventually grew to enjoy the surroundings and people. I soon started getting calls from my mother, who was equally concerned. That time frame is not long enough, though. I'm made to feel welcome by my excellent coworkers.

In addition, my first day at Bengal Group will always be a memorable one for me. I was welcomed by a Bengal employee who greeted me as Sir. When I arrived at the office, he showed me a specific area designated just for auditors. I arrived too early that day.

Another member of the crew soon brought me tea and water. After a time, my coworkers started to arrive one by one and handed me older reports to evaluate. The trip was pleasant and uneventful.

I began my assignment after learning a few essentials, and it quickly grew more interesting to me. Different questions were posed to me, and I attempted to use my academic knowledge there. My manager and a coworker offered me help in this area. In addition, I received praise, which stoked my passion and motivated me to work hard to do better.

The manufacturing tour was yet another noteworthy experience from my internship. I spent over two weeks there, and it is something I will cherish forever. There, we worked a lot since we had to count 1200 tons of raw ingredients for Bengal plastic goods. Despite this, we had a great time in the dorm. In addition, I frequently find it amusing how much respect an auditor receives.



Last but not least, I believe that my internship experience provided me with a solid foundation in corporate auditing and was a terrific learning opportunity. This program has given me my first work experience, which will stay with me forever and help me choose my career path.

## 2.0 Chapter 2: Organization and Analysis

### 2.1 Company Introduction

Bengal Group (also known as Bengal Group of Industries) is a conglomerate based in Bangladesh. It was established in 1969. It includes Bengal Plastic, Bangladesh's largest plastic business. Morshed Alam, an Awami League politician, is the chairman of the Bengal Group of Industries. Md. Jashim Uddin, Morshed Alam's younger brother, serves as the group's vice chairman. He is also the president of the FBCCI.

Bengal Plastics is now Bangladesh's largest plastic industry, processing about 3,000 metric tons of raw materials each month. But these days, their behavior isn't limited to plastics. They have skillfully expanded our business into electronic media, real estate, chemicals, paper, food, metal, and renewable energy throughout the years.

Our Quality Control (QC) lab evaluates a wide range of incoming raw materials and components to suit our customers' quality standards. To exceed the ever-changing taste of our international clientele, we have established a modern tool room with the newest technology and highly skilled specialists to ensure continual product quality throughout the production process.

To support the logistics, we have developed more than 100,000 SFT (9,291 square meters) of storage space to distribute the commodities properly. All our efforts are centered on making our customers' lives better, easier, & and happier. We are dedicated to supporting environmental activities via packaging innovation and technology achievements. Utilizing state-of-the-art refining and disinfection technologies to deliver nothing but the safest, most lucrative created things. Bengal Plastics is the most vertically integrated plastics business in the industry, allowing us to boost quality, limit environmental impact, and pass along economic savings to our customers. Our customers choose our things based on amazing quality, low prices, and outstanding service.

Bengal Plastics creates items utilizing the fastest, most automated, most technologically advanced production lines in Bangladesh. Efficiency savings gained with high-speed manufacturing and

automation is another essential aspect that helps our customers offer the greatest possible value for their money.

## 2.2 History

In a leased factory in Old Dhaka, Morshed Alam founded the Bengal Group of Industries. Since 2004, Jashim Uddin has served as President of the Bangladesh Plastic Goods Manufacturers and Exporters Association. Bengal Group bought Romania Biscuit and Bread Industries in June. In March 2007, a fire broke out in the group's offices on the first floor of the BSEC Bhaban in Karwan Bazar, resulting in four fatalities and thirty-six injuries. On the eighth floor, Dandy Dying's office also caught fire. Bengal Plastic received Enterprise of the Year 2007 from The Daily Star and DHL Express in 2008.

In 2011, Morshed Alam was chosen to lead Mercantile Bank. Bengal Plastic made a 500 million expansion plan announcement in February 2015. Through commercial papers, it collected 500 million takas for Bengal Plastic. Products are produced by Bengal Plastics for the Mainetti Group. Bengal Group of Industries Director Humayun Kabir Bablu accepting the CIP award for 2021.

To develop the opulent Swissotel Dhaka hotel in Dhaka, Bengal Group and the International Finance Corporation inked a credit deal in September 2017. It will be Mutual Trust Bank Limited that arranges the loan. Bengal Group submitted a bank opening request. Bengal Group signed a deal with Dhaka Power Distribution Company Limited to build rooftop power plants and sell the energy to the latter for 9.8 takas per unit. Bengal Group will be the owner and operator of the solar panels that are added to the buildings of the Uttara Haji Camp, Bangladesh Institute of Bank Management, Department of Fisheries, Directorate of Secondary & Higher Education, Shaheed Suhrawardi Indoor Stadium, and Shilpakala Academy.

Bangladesh Bank approved the application for Bengal Bank Limited, which has a paid-up capital of 5 billion taka. A solar power plant is being installed on the top of one of the government buildings, Shikha Bhaban (Directorate of Secondary & Higher Education).

Bengal Cement has been awarded a contract to provide cement for the Dhaka Elevated Expressway in 2022. It brought Bengal Plastic merchants by air on a trip to Nepal. Bengal Plastic has received gold export prizes for consecutive 13 years. In Mohammadpur, Happy Mart's 24 stores debuted in October.

### 2.3 Vision of the company

“Our vision is to be the best company in our industry and it is our policy to deliver total quality goods and services to all our customers. We accomplish this by adopting a set of quality policies throughout the organization.”

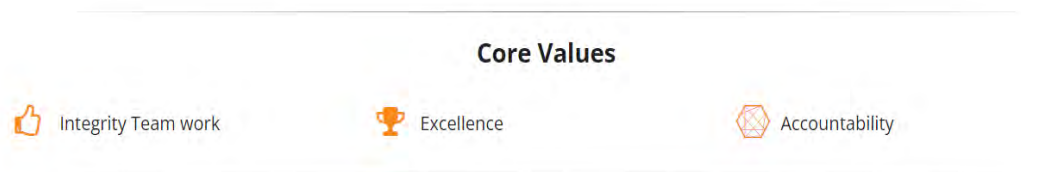


Figure 2: Core values

### 2.4 Mission of the Company:

"Our mission is to continuously strive for excellence in quality, delivery, and sustainability to responsibly meet and exceed the expectations of our valued customers and stakeholders."

### 2.5 Goal of the Company:

Using a strong reputation and higher-quality goods, the major goal is to quickly gain the largest possible market share throughout the whole nation. Within Bangladesh's innovative and forward-thinking business community, the Bengal Group of Industries is acknowledged as a leader.

### 2.6 Corporate Profile:

Bengal Group is committed to encouraging excellent corporate responsibility in the communities in which we operate, environmental excellence, and the development of strong environmental values in its employees. All Bengal Group companies must follow all environmental laws and rules that concern their facilities and operate in a manner that protects the environment and natural resources.

Table 1: Data table of BGI

Nature of the Business	Bengal Group of Industries is recognized as one of the leading and fastest-growing manufacturing industries in Bangladesh having a wide range of activities in the field of plastics, Melamine, Pipes and cement, LPG.
Year of Establishment	1969
No. of Business Concern	30
No. of Employee	32,000
Total Factories	28
No. of Export Country	60
Head Office	Bengal House, 75 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh

## 2.7 Division/Departments of Bengal Group of Industry:

The Bengal Group of Industries is one of the biggest and fastest-growing enterprises in Bangladesh. Food processing, plastics, rubber and melamine, textiles and clothing, power and energy, hospitality, building materials, infrastructure, media, and entertainment- we know these sectors and have the tools to support them. The departments and controls specified are:

### 2.7.1 Internal Audit Division:

The Internal Audit Division is in charge of maintaining an internal audit process across the organization based on an annual audit plan, as well as doing extra audit activities to evaluate the compliance and internal control system.

#### 2.7.2 Marketing Division:

Bengal Group started its operations with plastics. The Corporate Sales Division works with institutions and corporate clients, whilst the Retail Sales Division works with the general public via its dealers and distributors. Bengal Group Industries Ltd, which currently has 25 businesses, is working hard to meet the market's ever-increasing demand.

#### 2.7.3 International Business Division:

The Bengal Group of Industries' success in the domestic market inspires it to grow into the international market with high-quality goods.

#### 2.7.4 PPIC Division:

The abbreviation PPIC stands for design, procurement, inventory, and dominance. This sector is in charge of creating, developing, and implementing procurement policies and strategies, as well as controlling item inventories by analyzing market and production demand.

#### 2.7.5 Accounts and Finance Division:

Bengal Group of Industries Ltd. oversees all financial operations, including budgeting, treasury monetary reporting, tax and VAT tasks, and so on. Most crucially, it establishes sandman taints system internal controls to safeguard the whole financial assets of Bengal Group of Industries Ltd.

#### 2.7.6 HR Division:

The HR section of Bengal Group of Industries is in charge of all HR processes for its employees. This segment selects qualified candidates, trains them to work with existing employees, and places them in appropriate roles. It also makes employees fearful of legal ramifications. Bengal Group Industries Ltd. is a company based in Bengal, India.

#### 2.7.7 IT Division:

Since 1996, Bengal Group Industries Ltd's IT Division has worked alongside all divisions of the firm to ensure that all units meet their daily goals.

#### 2.7.8 QCS Division:

QCS is an abbreviation for Quality Control System. The QCS division contributes to the performance of the organization by directing and running it systematically and visibly by international standards.

The operation division of Bengal Group Industries is in charge of constant monitoring of the components to be used in different phases of manufacturing of any items that are equipped with sophisticated technology and calibration methods. Bengal Group Industries Ltd.'s research and development is overseen by the operations division.

#### 2.7.9 Engineering Division:

The Engineering Division of Bengal Group Industries is in charge of installing and maintaining industrial equipment as well as other construction projects on the plant grounds. A trained engineering team is ready to give technical assistance to ensure that production runs smoothly.

#### 2.7.10 Factory Admin Division:

Factory Admin is in charge of the factories' day-to-day operations. They are responsible for daily staff pay, maintaining and managing manufacturing plant premises, equipment manufacturing plant transportation, canteen, manufacturing plant security, and a variety of other body concerns.

### 2.8 Financial Highlights of Bengal Group of Industry:

In short, our staff members are essential to the success of our day-to-day company operations. Throughout the whole organization, managers, directors, and employees are expected to uphold the values of integrity, teamwork, excellence, and accountability. These values are the foundation upon which we build the integrity and trust that are essential for our businesses to thrive in the future. In other words, the customer believes that everything is "100% trustworthy."

Bengal Plastics and Pipes, which sells 85cr in sales each month, is the most successful and developing company. Bengal paper & and poly Sack, Melamine, and Hanger each bring in around 105cr in sales. 55cr is sold by Hamilton Metal. Both Linnex and Bengal Flexipack Ltd. sell 63cr.

### 2.8.1 Global Market:

According to industry insiders, Global importers have been looking for a competitive supply to China with trepidation. In less than five years, Bangladesh might have a billion-dollar share in the worldwide market for packaging materials and garment accessories. Local accessory producers have prior experience serving several nations

Huge exports of clothing are made, but to get traction in the global market, they need to be promoted and have sustainable supply chains, which is something the government can help with. Before the end of 2015, Bangladesh hopes to export directly \$1 billion worth of packaging materials and apparel accessories. By 2018, the BCCMA wants its members to control a \$12 billion market for packaging supplies and accessories. By that time, they want to support a clothing sector worth more than \$50 billion, with the remaining \$2 to \$3 billion coming from direct exports of packaging and accessories.

Many local producers of packaging materials and garment accessories export their goods to countries where manufacturers of clothing and other goods are located. The export industry in Bangladesh is entering a new phase. At the moment, Bangladesh exports to other nations items like sewing threads, poly bags, cartons, tags, and labels. He noted that, according to information from the Export Promotion Bureau, direct exports of clothing accessories and packaging materials totaled more than \$220 million in 2012. Direct exports of accessories involve several factors, including market acceptance, nominations from retailers, quality proofs and certification on items, the development of seamless deliveries by international market regulations, and many other factors.

**Market Share:** In the plastics sector, BWTL leads the market. Its market share is 49%, while rivals' market shares are 51%.

### 2.8.2 Forecasting Complexity:

The plastics sector is one of the nation's fastest-growing economic sectors. Forecasted numbers are often exceeded by actual demand as the firm expands more quickly. Due to this, sales at the busiest time may exceed the amount of vacant stock.

### 2.8.3 Import material:

90% of Bengal's total raw material consumption is comprised of imported goods. Import was necessary since quality needed to be improved. Bengal concentrates on increasing its sales volumes as much as it can in a competitive market. Better quality combined with promotional efforts increases sales, which significantly improves the bottom line and eliminates any costs brought on by currency fluctuations. Bengal may also reduce currency risk since exports provide a significant buffer to absorb any fluctuations.

### 2.8.4 Export potential:

Bengal places a strong focus on exports and actively participates in both domestic and international trade shows. Currently, Bengal Group exports plastic products, apparel accessories, and other goods to several nations throughout the globe. In contrast, Bengal Group began exporting plastic pipes to India. There is a sizable market in India.

### 2.8.5 Foreign currency and export-oriented businesses:

Companies that trade worldwide or have subsidiaries abroad are vulnerable to changes in world currencies. Changes in conversion rates may reduce earnings or raise gains, just as with private investments. Companies that trade worldwide or have subsidiaries abroad are vulnerable to changes in world currencies. Changes in conversion rates may reduce earnings or raise gains, just as with private investments. When a company has shareholders to answer to and the sums involved might reach the millions, it can have a significant effect on earnings and losses. Businesses may be cautious to provide hard numbers in contracts if the currency environment is subject to fast change months before a transaction is finalized. If a company that relies on exports makes money by selling its goods, the amount of money it makes may alter if the value of the dollar fluctuates. Suppose a business made Tk. 7,800/- (100 units = \$1X Tk. 78) in the previous month. Due to the dollar rate being Tk.77 instead of Tk.78 at that time, its earnings might be cut to Tk.7,700/- (100 units \$1X Tk.78). Even if the selling units are the same, depending on how the USD/Taka exchange rate moves, they may wind up with much more or much less than they anticipated. When negotiating contracts with multinational customers, these problems also arise. When a contract is completed, even if it first seems to be a good bargain, it might turn out to be a terrible one within a few months. In research by SunGard Data Systems, 275 US companies of varying sizes were surveyed. It was found that in the year before, 59% of individuals surveyed had either gained or



lost more than 5% of their money as a consequence of currency fluctuations. 26" The majority of corporations are in the business of doing business, producing and manufacturing, not hedging currencies," said Paul Barnwell, senior vice president of Treasury solutions at SunGard's Avant-garde division. "Volatility caught numerous firms off surprise." He clarified that the best strategy for determining the effect of fluctuations is to look at where the risk sits rather than waiting for quarterly results, however, he recognized that this is a stance that more and more organizations are adopting.

#### 2.9 BGI Concern:

Bengal Group takes pleasure in constructing a diverse range of businesses to grow Bangladesh's economy. With a broad variety of interests in the fields of plastics, adhesives, metal, paper & packaging, real estate, Argo, food, banks & financial institutions, electricity & renewable energy, the Group is acknowledged as one of Bangladesh's leading and fastest expanding industries. More than 32,000 employees of the Group work in Bangladesh, and they all share a remarkable dedication to excellence. It is one of Bangladesh's most reputable, well-run, influential, and sizable corporate organizations.




Table 2: Bengal Concern

## 2.10 Competitors:

The process of generating or producing goods using resources including labor, equipment, machines, chemicals, or biological formulas is known as manufacturing. It is the center of the secondary sector of the economy.

Among Bangladesh's biggest and fastest-growing industrial enterprises is the Bengal Group of Industries. We are knowledgeable about and equipped with the resources to handle the following industries: food processing, plastics, rubber and melamine, textiles and clothing, power and energy, hospitality, building materials, infrastructure, media, and entertainment. Below are the contestants.

			
	 আবুল খায়ের গ্রুপ	 Meghna Group of Industries	 PRAN-RFL Group

Table 3: Some competitors of BGI

### 2.11 Company Achievement:

With a broad variety of businesses in the fields of plastics, chemicals & adhesives, paper & packaging, real estate, construction materials, food, banks & financial institutions, and electricity & renewable energy, the Group is recognized as one of Bangladesh's most prominent and rapidly growing enterprises.

Bengal Plastic Limited Received Lead Gold Certification – 2022	Green Factory Award – 2020
President Award for Industrial Development – 2019	National Export Trophies – 2019

National Productivity & Quality Excellence – 2019	CIP Industrial Award – 2017
National Productivity & Quality Excellence – 2017	DHL Daily Star Award – 2008
Superbrand Award	Bengal Group of Industry received the country’s highest taxpayer award for 5 consecutive time

*Table 4: Achievements of BGI till now*

#### 2.12 Core Values:

Integrity, teamwork, excellence, and accountability are the core values that every worker, manager, and director in the company is expected to uphold. These principles also serve as the cornerstone upon which we build the honesty and trust necessary for our businesses to thrive.

## 2.13 Business Sectors:



*Figure 3: Business in different sectors*

Plastics, Rubber & Melamine: Our journey with plastic products started in 1969. Since then, the business has proudly held a prominent place in the market as a maker of plastic products. Over the years, the corporation not only expanded itself in many sectors but also introduced varieties of novel products as well. The Bengal Group of Industries went on to produce thermoplastics, cartons, metal goods, packaging materials, polymer wares, and most recently, melamine. Keeping the valued customers in mind, we launched a retail shop named Happy Martin 2015.

- “Bengal Plastics Ltd.
- Bengal Polymer Wares Ltd.
- Bengal Windsor Thermoplastics Ltd.
- Bengal Poly & Paper Sack Ltd.
- Bengal Adhesive & Chemical Products Ltd.
- Hamilton Metal Corp. Ltd.
- Bengal Melamine Ltd. & Bengal Propack
- Bengal FlexiPak Ltd. & Bengal Retails Ltd.”

**Construction Materials:** Bengal Group began manufacturing construction materials in 2011 after first producing pipes. Bengal Cement Limited (2018) is an addition to our company that functions with a vision of making A-grade building materials accessible easily

- ✓ Bengal Plastics & Pipes Ltd.
- ✓ Bengal Cement Ltd.

**Food Processing:** In our relentless journey to contribute to our economy with better ventures, we've recently moved on to producing food products. In 2004, Romania Food & Beverage Ltd. was established via the purchase of a bakery and biscuit plant. Lexus Biscuits Ltd. is a subsidiary of Bengal Group of Industries Ltd. In a very short time, with the highest quality products, this company has outshined many of its local competitors in producing healthy biscuits. Lexus has introduced the first-ever sugar-free biscuits in Bangladesh that earned tremendous popularity among consumers of every age.

In addition, we founded Bengal Feed & Fisheries Ltd. to guarantee the finest raw materials for ourselves and to close the gap in Bangladesh's poultry and fish feed markets.

- Romania Food & Beverage Ltd
- Lexus Biscuits Ltd
- Bengal Feed & Fisheries Ltd

**Textile & Apparels:** The Bengal Group of Industries began operating in the textile and apparel sector immediately after Bangladesh's independence in 1971. The company's first products were textile and jute spare parts, which we had to purchase from Europe and India.

Making hangers for the clothing industry was our second big step forward in this sector. Even though we joined RMG a little later, success has already been sparked by our manufacturing capability and global awareness.

- ❖ Designer Fashion Ltd.
- ❖ Euphoria Apparels Ltd.
- ❖ Designer Washing & Dyeing Ltd.

**Media & Entertainment:** Our purpose of setting in the media and entertainment sector was to show the truest facets of events around us. Bengal Group of Industry has a powerful and innovative media staff that works strategically to disseminate diverse news and perspectives in the public sphere. Our satellite television channel RTV started its journey back in 2005 and we continue serving as one of the best TV channels in the country

Our commitment to producing creative and captivating media is fueled by the support our customers provide us to engage in the public life of many places.

- “Bengal Media Corp. Ltd”.
- “Rtv Online News Portal”.

**Infrastructure & Development:** Since our debut in the sectors of infrastructure and development, we have delivered on our commitments solid to date. Bengal Group of Industries is determined to transform the infrastructures of Bangladesh to global heights, which accordingly contribute to the national economy of Bangladesh.

- 🕒 “Bengal Concept and Holdings Ltd.
- 🕒 Bengal Structure Development Ltd.
- 🕒 Future Infrastructure Ltd.”

**Electronics, Power & Energy:** With massive support and encouragement from stakeholders and our beloved consumers, The power and energy industry was where Bengal Group of Industries first made its name. And our mission is huge as simple as it sounds: becoming reliable for power to all Bangladesh!

- ➔ Linnex Electronics (BD) Ltd.
- ➔ Linnex Technologies Ltd.
- ➔ Bengal LPG Ltd.
- ➔ Bengal Renewable Energy Ltd.
- ➔ Power Utility Bangladesh Ltd.

**Hospitality Services:** To strengthen our tourism sector and introduce our foods and festivals to our guests, The world-class five-star hotel "The Swissotel Dhaka" will be built in the center of the city thanks to a partnership between Swissotel Hotels & Resorts and Bengal Group of Industries.

350 guest rooms will be available at this five-star hotel in the downtown metropolitan area. The minimum area of each suite will be 38 square meters. A 500m2 ballroom and six restaurants and bars make up the 950m2 event area. A Provel spa including a swimming pool is also part of the leisure offerings. The Swissotel Dhaka is conveniently located 12km from the airport and close to the newly developed financial and entertainment area of Motijheel, making it an ideal choice for business visitors. This hotel is close to a lot of upscale apartments, office buildings, embassies, and international corporations that are situated in Gulshan.

© Bengal Hotel & Resorts Ltd.

#### 2.14 Exports Markets:

Bengal has earned a Super Brands award. Superbrands are impartial judges of branding. It recognizes outstanding businesses worldwide and promotes the discipline of branding. Dominant brands were limited to those with high average scores. There are now superbrand initiatives in over 60 nations.

The 16 most popular country is given below, where Places our products have reached

















							
Saudi Arabia	USA	Switzerland	Germany	Italy	Portugal	Romania	Spain
							
Greece	Kuwait	U.A.E	Japan	Nepal	India	South Korea	Thailand

Figure 4: Countries where BGI exports



## 2.15 BGI Partners:



*Figure 5: partners in different projects*

## 2.16 Market and Brand Values:

We are committed to the quality of our items, and we don't just talk about it. We do this by managing and keeping up-to-date, highly developed production facilities that are accredited with ISO 9001:2008 and ISO 14001:2004. We provide 30 product categories with over 300 SKUs in the B2C market and 2 product categories with 40 SKUs in the B2B market.

Our employees' core values, or brand values, are crucial in ensuring the success of our daily company operations. Integrity, teamwork, excellence, and accountability are the core values that every worker, manager, and director in the company is expected to uphold. These values serve as the cornerstone upon which we build the honesty and trust necessary for our businesses to thrive in the future. To put it simply, the buyer believes that you are “100% trustworthy.”

2.17 SWOT Analysis of Bengal Group of Industry:



*Table 5: SWOT Analysis*

## 3.0 Chapter 3: Project Part

### Procedures for Internal Auditing and Process Improvement

#### 3.1 Introduction

The goal of this research project is to evaluate internal audit and process development in a manufacturing company. It is predicated on Bangladeshi research. Through the use of in-person observations, internship experience, and secondary research, this report was produced. In addition to identifying the priorities and accountability structures for internal audit, Along with assessing the company's overall health and identifying the various risks associated with financial reporting and other topics covered by internal auditors, it also considers the nature of internal audit activities and the extent to which The Institute of Internal Auditing Standards of Professional Development are applied. Because of company failures and the global economic crisis, regulators and the general public have paid much greater attention to corporate governance.

The increased demand for internal control disclosure has dominated regulatory responses. As a result, there is a rising need for internal control systems and awareness of them, particularly for internal assurance of corporate governance processes and systems.

Internal auditors may operate as assistants to external auditors or independently throughout the audit year by conducting substantial and relevant work on which external auditors can rely, such as asset value, in compliance with professional auditing standards. This support may be quite valuable to the audit of financial statements. Moreover, the notion that auditors can just oversee an organization's accounting department has long ago become outdated. Given their grasp of assurance and company insight, internal auditors are given priority when creating procedures and SOPs. Nonetheless, firms in Bangladesh are not yet obliged to have an IAF. There are several International Standards for the Professional Practice of Internal Auditing (ISPPA) components or IAF assessments that are related. According to Ascribe Standard 1300, the organization must build, manage, and periodically assess the efficacy of a quality assurance and improvement program that encompasses all facets of the IAF's operations. Secondly, even though we often use the strong term "due diligence," the intern audit team helps with the process of creating a suitable set of activities.

### 3.1.1 Background of Auditing

For a very long time, the CA profession has been well-regarded worldwide. The Bangladesh Chartered Accounts Order, President's Order No. 2 of 1973, created the independent ICAB to oversee the accounting profession and other matters in Bangladesh (ICAB, 2022). Since then, Bangladesh's performance in this area has been steadily improving to enhance commercial enterprise, environmental sustainability, and corporate governance. With over 384 active members, there are now 72 sole proprietorships and 92 partnership CA businesses. Because of the very low passing rate, this profession is extremely valuable and appealing, thus the number is not as high as it should be. There are thousands of local businesses and over 921 international corporations operating in Bangladesh; of them, about 628 are listed on the stock market. Professional accountants are needed to help these firms. Many people mistakenly believe that chartered accountants just manage a company's accounting department. The evolution of business operations, financial structure, legal standing, and mergers and acquisitions all heavily depend on certified public accountants. Businesses also need the financial statement since it safeguards the interests of the Bank, NBR, stakeholders, and other parties engaged in relevant matters. Consequently, a corporation needs licensed accountants.

It has been shown that the internal audit procedure is essential for increasing value and reducing mistakes found by outside auditors. Internal auditing (IA) procedures are critical for supporting firms in meeting their goals and preserving their assets (Alqudah et al. 2019). It is regarded as a critical governance tool for protecting businesses from internal misbehavior. Furthermore, revenue rotations are the most common source of fraud and abuse in the interplay between revenue and internal control. The internal control system therefore has a significant influence on revenue collection. An internal control system offers trust in an organization's capacity to carry out or execute a certain task and minimize mistakes and losses by measuring, improving, and enforcing compliance with organizational reporting procedures (Harasheh and Provasi, 2022). According to professional literature (Carey et al., 2000; Carcello et al., 2005), internal audit is a vital instrument for detecting fraud when assets are taken by workers or outsiders. It follows that we think businesses with internal audits will be more adept at identifying fraud than those without.

Furthermore, companies with internal audit teams have a higher chance than those without one of identifying and fixing issues with 34 financial statements and accounting records.

### 3.1.2 Auditing Origin and Evolution

The practice of large-scale manufacturing emerged during the Industrial Revolution in the 18th century, which is when auditing began. Public finance has been safeguarded by systems of checks and balances from the time of the ancient Egyptians, Greeks, and Romans.

The final 10 years of the 15th century saw a major increase in commerce and business thanks to the Italian Renaissance, and in Venice, Italy, in 1494, Luca Paciolo created and published the double-entry accounting rules. This accounting system was very effective at recording all kinds of corporate transactions.

Another significant turning point in the development of trade and industry was the English Industrial Revolution. The Industrial Revolution caused a significant increase in the volume of economic transactions, which required the use of more money. As a result, the regular merchant was obliged to create alliances with other firms.

As a consequence, a large corporation was established as a partnership business and joint-stock organization. A superior accounting system led to growth in commercial businesses both before and after the revolution. Additionally, British companies educated investors about how a neutral and independent audit may successfully protect their interests.

Although the audit of business accounts did not become conventional until the 19th century, such advances had a direct impact on the development of the profession of auditing. A Royal Charter founded the Institute of Chartered Accountants in England and Wales on May 11, 1880. The primary goal of this company was to prepare Auditors. The British Association of Accountants and Auditors was founded in January 1923, and passing this test qualifies a person to serve as a professional auditor.

### 3.2 Problem Statement:

The majority of the time, irregularities are discovered by an external audit team in the concerned organization while the company itself is completely unaware of them. Reducing this kind of financial report mismatch and identifying a long-term solution are the goals of the internal audit. This may be challenging for large organizations with complex organizational systems to keep up

with legal and financial requirements. Any inaccurate information in the financial statement has the potential to deceive stakeholders, who are therefore left in the dark by the law. Furthermore, a lack of internal management also contributes to the demise of many big businesses.

Additionally, organizations with various departments must preserve the interdependence between them to function efficiently and enhance their reputation. For this reason, internal process development is necessary to provide appropriate criteria for how something should be done. A manufacturing business, for example, has to acquire raw materials for production, but how should they do it and who will be held accountable if anything goes wrong? Companies often encounter this issue, and in this situation, auditors are the most trustworthy lifeline. As a neutral third party, they aided a business in creating “Standard Operating Procedures” (SOP) and determining “The scope of development” (SOD). The audit team also assisted in resolving issues that businesses had with the recording and accounting requirements.

### 3.2.1 Research Question

The primary aim of this research is to determine the value and need for internal auditing to sustain appropriate accounting procedures and efficient process enhancement. The objectives of the questions are to examine the advantages of internal audits and their potential applications in creating more effective systems. In addition, this study will evaluate the following query in light of the paucity of research on this subject and the inconsistent nature of the findings.

RQ1: How can an internal audit help a firm maintain financial stability and minimize accounting errors?

RQ2: How has internal audit's approach to process creation proved to achieve more success?

### 3.3 Literature Review

This method aims to explain why the scope of internal audits has expanded recently, including corporate governance risk management in addition to their initial, narrow emphasis on control (Walker et al., 2003; Brody and Lowe, 2000). Furthermore, there are many factual discrepancies between audit committees, C-level management, and employees in institutionally complex businesses. In a broad sense, internal auditing may be seen as the principal's responsibility for

oversight, control, and advisory services aimed at reducing or eliminating the impacts of the previously mentioned information asymmetries (Eulerich & Lohmann, 2022). “Researchers develop assumptions about the characteristics of companies that do internal audits using this idea as a framework. While the 36 areas of governance, management, and improvement—which make up the report's primary focus—have a lot in common, (Abbott et al., 2022).” For this reason, doing an internal audit is seen to be crucial to a company's ability to expand more quickly. Internal auditors may provide value by verifying that the entity's current transactions are adequately understood and handled. One of the main duties of internal auditing should be determining how to improve risk management practices and evaluating the total risk of a business (Lindow and Race, 2002). Whether internal audit duties should be carried out internally or outside is the third research subject this study looks at. Previous studies have mostly focused on getting feedback about the relative benefits of the two approaches from users, analysts, and corporate officials. It is generally agreed upon that externalized internal audits are of a superior caliber (Carey et al., 2006). Scholars additionally look at the independence, breadth, competence, ties with the audit committee and independent auditors, senior management support, and outsourcing of IA, depending on their research interests and the body of literature available (Alhajri and Meshari, 2017). While some academics have emphasized the benefits of internal auditors due to their comprehensive knowledge, commitment, and role in managing situations like unfair practices, others have emphasized the benefits of outsourcing internal audits (Chadwick, 2000; Speklé et al., 2007). However, because there has been a lot of study comparing the additional examination of internal vs. outsourced in the audit of accounting records and financial statements together with process improvement, we structure our analysis of this topic within a research question. We contend that although evidence suggests a higher value attached to outsourcing the internal audit function, this does not always translate into greater effectiveness in detecting accounting fraud. First, part of the observed higher perceived quality may have been due to reputational effects. Second, in-house internal auditors put a lot more work into internal auditing than external auditors (Speklé et al., 2007). Doing internal audits well takes a lot of effort. The professional literature has further proof of the value of whistleblower reports and internal audit investigations. Since internal auditors have more time on their hands and a deeper knowledge of the organization, we believe they will be better equipped to spot misstatements while working for a corporation (Morgan, 2005).

On the other hand, laws may be in favor of increasing the validity of internal audits, particularly in less developed countries. “Even for publicly listed firms, authorities seldom rarely mandate or enforce the hiring of an effective internal auditor these days (Lenz and Jeppesen, 2022)”. Focusing is necessary for high staff effectiveness in control management to stop the establishment of a 37-specific atmosphere inside the company. The activities of top executives and the board of directors foster this environment, which ought to result in the development of a comprehensive risk-management plan. Among the indicators of an integrated framework is the establishment of a separate committee or group with directors and senior management to address risk. Subsequently, an internal audit may provide the support required to ensure that protocols are in place for properly monitoring the risks that have been identified (Zain et al., 2006). Furthermore, how can a manufacturing company increase its efficiency—that is, how many manufacturing techniques be developed? The internal audit had two options: it could find more widely accepted effective development behaviors, or "best practices," condense them into a manageable number of what are commonly called "success elements," and then apply those elements to improve the performance of the company (Holtfreter, 2004). Ultimately, Further research is needed to examine the advantages of internal auditing and the rationale for giving internal auditing the task of process development.

### 3.4 Objectives of the Report:

The course aims to provide a comprehensive understanding and some real-world experience in management, auditing, and investigating the Bengal Group of Industries. The purpose of this report is to provide additional information regarding the Bengal Group of Industry's entire auditing system. Furthermore, the research aims to accomplish the following goals:

- ◆ To provide a summary of the Bengal Group of Industry's internal auditing practice structure.
- ◆ To learn about the present state of the BGI and the audit's control; • To get a summary of the business performance of this company.

#### 3.4.1 Scope of this Report:

Reports on internal audit working processes served as the basis for the report's scope, the website, and my full working experience knowledge with BGI and also communication with the managers,



and executives of the Internal Audit Department. I was examining the goals, circumstances, plans, and tactics of the firm. Only the exposure and the information that was readily accessible were included in the study.

### 3.5 Methodology:

Determining the Bengal Group's Internal Audit control is the primary goal of the study project. Many data points are needed to complete the study, and these questions are made to gather information from Bengal Group of Industries employees as well as other sources.

To write my report, I used both primary and secondary data. I attempted to interview many department members without using questionnaires, but they refused to respond to my inquiries. In addition, I have consulted a few books and journals, brochures, catalogs, websites, and the GROUP newsletter for secondary material. In addition, I used to record my everyday actions and made a conscious effort to adhere to Bengali culture to learn as much as possible.

### 3.6 Collection and Classification of Data:

I've prepared the report to collect by the supervening two types of data. maturity of the study is predicated on primary data. still, some secondary data source is used for background study.

- ⇒ Primary Data: collection sources were served by direct interviews with the targeted repliers and by apportioning questionnaires of Bengal Group.
- ⇒ Secondary Data: were collected from books, published documents, and Annual Sales Meeting reports of Bengal Group, survey reports, Internet, and journals.
- ⇒ Data Analysis: In this study, I used some different types of exploratory research techniques.
- ⇒ Sample Size: The selected sample size is of two years.
- ⇒ Statistical Analysis: Collected information was classified and tabulated for further analysis. Calculations were done for the interpretation of the data, discount factor, average, etc.
- ⇒ Software tools used for the data: MS Office (Word, Excel), Power BI, and software tools are used for data analysis.

### 3.7 Limitation of the Report:

This internship period for working on such important topics is insufficient. Also, this is individual work where just one person has to take over the whole process alone, but the time framework did not allow me and my work scientifically done at my job station and it is extremely difficult for me to produce a thorough qualitative survey within a set period. In every way, some limitations and weaknesses remain, which I was unable to clean out by any means.

- To produce a successful report, sufficient assistance and directions from various supervisors are required.
- In many circumstances, the relevant authorities aren't concerned about the externship report and are hesitant to provide information due to confidentiality.
- It's much too significant and sensitive to mention and propose based just on the internal inspection report.
- The association's website was out of current, making it impossible to acquire valuable information.
- Continuing this report will take a significant amount of time. As an employee, I have only a few hours to produce this report, which is insufficient.
- As an Internal Auditor, it is difficult to keep reports after finishing daily tasks and does not have enough time to provide detailed information.
- The organization's website was out of current, making it difficult to collect vital information.

### 3.8 Forecasting of this Report:

This report about the structure of internal auditing practice of Bengal Group of the industry is forecasting three basic types, which are given below

- Qualitative Techniques
- Time Series Analysis
- Projection and Causal Models

**Qualitative Techniques:** The goal of qualitative research is to better understand how people perceive certain events and situations. The predicated proposition, literal, case study, ethnographic, phenomenological, and action research are the six common or garden varieties of qualitative inquiry.

**Analysis of Time Series:** Time series analysis is one specific technique for examining a collection of data points collected over an extended period. Time series analysts capture data points at regular intervals over a defined period, as opposed to only sometimes or randomly gathering them. Three categories may be applied to an observed time series: irregular (unsystematic, short-term fluctuations), seasonal (methodical, timetable-related movements), and trend (long-term direction).

**Protuberance and Causal Models:** Causal forecasts help directors measure the relationship between dependent and independent variables. It enables directors to measure the possible impact on their business from the changes. Linear retrogression is a generally used fashion in unproductive soothsaying.

### 3.9 Why Internal Audits Function?

The job of internal audit helps management by improving the quality of the control environment. Access to these internal auditing policies is recommended for the company's directors, internal control officers, internal auditors, and other organizational staff members to provide them with background information and the best practices for developing an effective internal audit function as needed.

#### 3.9.1 Internal Audits Activities:

A wide range of audit services, including financial, operational, compliance, and information technology audits as well as consultancy and advisory services and special investigations, are offered to the company by the internal audit department. If you have any queries or issues about the specific policies and guidelines that your department follows, we cordially encourage you to contact us.

3.9.1.1 Financial Audits: A financial audit checks the accuracy and correctness of accounting transactions and reporting. The purpose of this kind of audit is to verify that the financial activity of a unit is accurately reflected in financial reports and that the financial reports are backed up by accounting records and other financial documentation.

3.9.1.2 Compliance Audits: Assess the extent to which the company, the Manufacturer business in Bangladesh, the government of Bangladesh, and other regulatory agencies such as the ICAB and NBR, among others, are following the laws, regulations, policies, and procedures that apply to them.

3.9.1.3 Operational Audits: Check whether goals are being met as effectively and efficiently as feasible by looking at the way the department under audit uses its resources and adheres to its procedures. An essential component of operational audits is the assessment of the unit's internal control environment for managing and minimizing inherent risks.

3.9.1.4 Information technology: Examine the data security, physical security, system development procedures, system requirements, and system processing protocols.

3.9.1.5 Audits of Department Procurements: To evaluate the impartiality, independence, and fairness of department procurements, audits are conducted.

3.9.1.6 Consulting and Advisory Services: A wide range of duties are included in the consulting and advising services that management often demands. Internal audits may provide management with internal direction and support on issues with financial records, internal control procedures, and dishonest employees. We could also provide suggestions for initiatives to reconsider systems, procedures, and policies.

3.9.1.7 Special Investigation: When our corporate office receives complaints from other internal and external sources, or via the business hotline, special investigations are carried out. Allegations are given priority and investigated once potential damage to the company is assessed.

### 3.9.2 Internal Audit Process:

Planning, fieldwork, reporting, and follow-up are the four primary phases of an internal audit. Below are the highlights of each phase.



*Figure 6: Theme of Audit Process*

**Planning:** During the coordination phase, the internal review group defines extensions and goals, specifies the course of pertinent research, and evaluates the findings of earlier reviews. Process - including the expenditure plan for the review, the strategy for how it will be carried out, who the participating process owners are, and the initial meeting date to begin the review.

**Fieldwork:** The true test of an analysis is a practical activity. During this phase, the audit team conducts the investigative approach. Talking with key personnel, pushing procedures and control assessments, looking over significant reports, and investigating hoaxes like unusual occurrences and recommendations are all related to this.

**Reporting:** The analysis's real results speak for itself. During this step, the audit team implements the investigation plan. At a high level, this comprises talking with key persons, approving processes and control assessments, and reviewing critical reports and things such as unique cases and recommendations.

**Follow-up:** The last step is a major one that is sometimes overlooked. Follow-up is critical to ensure that ideas are finalized to reflect agreed assumptions. This technique provides guidance to process owners who wish to put their proposals into action like how the Board manages the association's overall status by monitoring disclosures uncovered via internal research. This should speed up the process. I doubt there would be much progress if member groups did not adopt the recommendations.

### 3.9.3 Audit Evidence:

Audit evidence refers to the documents used during testing to support an audit opinion. When working on an audit, you may meet many types of evidence (written, oral, etc.). The papers are created by client employees or by other parties. To properly assess the weight of the evidence you have obtained, you must understand the four evidence principles listed below:

**Nature:** How the evidence is given, such as oral, written, or visual.

**Appropriateness:** the proof's quality, application, and trustworthiness.

**Sufficiency:** The amount of audit evidence – sufficient evidence to assess the audit client's management statements.

**Assessment:** Deciding if the evidence is convincing enough to support your perspective.

### 3.9.4 CS (Comparative Statement) verification procedures:

The three steps of the CS or Comparative Statement check are as follows:

#### **Stage 1: Receiving CS from the department of supply chains**

The first duty of an audit executive is to ask the supply chain department for a main copy of the comparative statement. After obtaining the CS from the SCM department, the internal auditor first observes that the whole document is an accessible statement (Store Requisition, Indent, Price quotation, and top sheet of CS).

#### **Stage 2: Indent is offering the matching top sheet product.**

The name of the good or service item must match the CS form, according to the Audit Executive. Close this chapter if all products are available from indent and the supplier price quote is acceptable in terms of quantity and price for both sheets.

### Stage 03: Verifying and Conforming Statement

The auditor will verify the cost after confirming the accuracy of all the documentation. They usually give you a call to make sure. The auditor adds a new supplier if the price isn't right; otherwise, they approve it. The auditor gets in touch with the vendors to find out how much their products cost. Once the process was complete, the head of the audit department signed. The SCM department is subsequently approved once again.

#### 3.10 Inventory Auditing Process:

Inventory auditing is the process of combining financial data with tangible inventory and documentation. Other parties and auditors could complete it. A simple inventory audit may be as simple as physically counting stock and inventory to make sure it matches the accounting records.

##### 3.10.1 Inventory check:

A manufacturing company's working capital swings considerably over the operating cycle. As a consequence, physical inventory inspections and counting processes are critical and needed by auditors. During the first step of the audit process, auditors independently verify the true amount of the company's inventory. Inventory monitoring is required to avoid accounting fraud caused by the falsification of inventory data.



*Figure 7: Checking Inventory*

3.10.2 Price Testing: The examiner proceeds to determine the cost of the inventory after using several techniques to confirm its quantity. According to widely accepted accounting rules, inventories are recorded in the financial statements at cost or market value, whichever is lower. The auditor will now review the expenses spent on labor, materials, and overhead.

3.10.3 Market Analysis: Market analysis encompasses a broad variety of issues and is a crucial component of both market research and corporate strategy. Business owners fill up this plan using their company's ideas. A specific market is taken into account throughout the market analysis procedure. The results presented might help companies assess the opportunities and risks associated with a particular market. The market study's cornerstone is the target audience.

3.10.4 Analysis of the Results: Once the inventory check and pricing resting for inventory are finished, the auditor will sign and pass it.

### 3.11 Generally Accepted Auditing Standards (GAAS):

"The PCAOB adopted the standard established by ASB. The PCAOB is a non-profit organization of the private sector created by the SOX Act of 2002 to oversee the audits of public limited companies and other associated issues to protect the interests of the investors and ensure the public interest in the preparation of the independent audit reports." The PCAOB Auditing Standard, sometimes known as GAAS, is the name given to the regulations that the PCAOB has published. The AICPA requires its members who have licenses to adhere to certain requirements. American CPAs must adhere to standards established by the AICPA.

Historically, auditing standards were separated into three categories, each having ten requirements. There are two types of standards: (i) general standards and (ii) field and reporting standards.



**3.12 Post Facto Method:** The Post facto method is a very common method for all manufacturing companies. When a factory needs to maintain some materials urgently or in an emergency, the post facto method refers to the emergency purchase of those materials from local markets without adhering to any supply chain or purchase requirements. This is for production and operational development. All papers are checked using the post facto procedure before being sent to the bill sections.

### 3.13 Other Purposes of Internal Controls:

Corporate directors may also have extra responsibilities related to internal audit. The most important thing to remember about internal audits is that departments need to maintain objectivity to manage risks and controls efficiently. Internal auditors are thus not involved in the organization's business activities. My duties as an internal auditor for a manufacturing company comprised the following: Purchasing System Employee Expenses

Genuine Currency Counting

**Purchase Method:** A business's buying system is essential. For businesses to function, they must always be able to provide the goods and services they need. A suitable supplier must be selected, acceptable items and credit terms must be negotiated, and payments must be managed to achieve the ideal balance between using all available credit and ensuring supplier satisfaction. It requires figuring out an appropriate balance. In a standard buying system, the following actions will be taken: Placing an order obtaining the items, and recording the invoices Repayments

**Employee Costs:** Payroll fraud may occur when fictitious employees are added to the payroll, for example. Understanding the essential elements of a payroll system and being able to identify its shortcomings is vital.

**Physical Cash Counting:** Because all cash equalizations must be tallied up simultaneously and as widely apart as is practicable, the arrangement is essential to cash checks. Here, "cash" could also include unbanked cheques, IOUs, and credit card slips in addition to notes and coins. Although they could be in certain organizations, such monetary equalizations are often challenging to achieve. As part of the planning procedures, the assurance providers must determine which sites need a count of the currency and which ones are held elsewhere.

**The current audit file will need to include the following planning decisions:** The names of the client workers who intend to be present at each site, the precise time and location of the count, and the identities of the audit staff doing the counts. The count is susceptible to the following problems.

All cash or petty cash records must be updated in ink at the time of the count. Depending on the system, a varied approach to record-keeping is acceptable. The balances have to be added up all at once. Never leave the assurance providers by themselves with cash or negotiable valuables.

### 3.12 Audit Procedures for Inventory:

Here are ten of the most common audit procedures:



*Figure 8: Audit Procedures of Inventory*

**Physical Inventory Count:** The most popular method for carrying out an inventory audit is this one. Physical counts of each item in your inventory are required; the findings should be checked with the numbers in your system. This will be easier for companies who regularly calculate their economic order amount or use the just-in-time inventory approach.

**Inventory Cycle Count:** Cycle counting is manually counting several items and comparing them to your system, much like physical counting. That being said, cycle counts are typically performed on a limited number of objects. This allows you to avoid issues like inventory loss and do audits of your most costly products significantly more often.

**ABC Inventory Analysis:** ABC analysis involves grouping various things according to their worth. This may be used to save and audit exactly the particular groups that you choose.

**Cutoff Assessment:** The physical inventory count is the point at which you stop utilizing this analysis in any way. This ensures that mistakes resulting from uncontrollable factors are unattainable.

**Analytical Procedure:** This phase involves applying the formula for inventory turnover, gross margins, or unit costs to compare the data from previous years to your inventory turnover ratio. This enables you to detect any volatility or unexpected spikes.

**Overhead Analysis:** An audit of all non-material costs is called an overhead study. This includes workers, rent, utilities, and other "hidden" costs associated with inventory.

Analysis of finished goods costs. For producers and manufacturers, this approach is perfect. To guarantee the accuracy of financial accounts, all goods are valued and accounted for after completion.

**Freight Cost Analysis:** This research assesses both the lead time (as determined by the lead time) and the amount you pay for delivery costs. Shipping Invoice Matching also takes into consideration losses and harm sustained during shipment. This inventory audit is often done at random by

auditors. It entails balancing the quantity of merchandise sent against the cost of inventory shipped. It confirms that no goods are dispatched for an inaccurate price.

**Product Reconciliation:** You must investigate to reconcile goods if you find problems during your inventory count. With this technique, any SKU number that is probably going to have issues in the future may be monitored.

### 3.13 Developing Audit Strategy:

An audit's audit plan establishes its parameters, including time, scope, and direction. Next, the technique is used as a template to create an audit plan. By developing an audit strategy, you may cut down on the time required to organize an audit overall and create a more targeted audit plan. Frequently, the plan document contains the crucial decisions needed to properly create the audit schedule. The following factors form the foundation of the audit plan:

- ➔ The scope of the engagement
- ➔ The characteristics of the engagement
- ➔ Reporting objectives
- ➔ Timing of the audit
- ➔ Nature of communications
- ➔ Significant factors in directing engagement team efforts
- ➔ The results of preliminary engagement activities.

## 4.0 Task and Duties of Auditing at BGI:

Bengal Group takes pleasure in developing Bangladesh's economy by building various enterprises. The Group, which operates a variety of companies in the areas of plastics, adhesives, metal, paper and packaging, real estate, agriculture, food, banking and financial institutions, electricity and renewable energy, is well-known for being one of Bangladesh's top and fastest-growing sectors. The Group employs over 32,000 individuals in Bangladesh, all of whom share an uncommon dedication to quality. It is one of Bangladesh's most reputable, well-organized, leading, and biggest corporate companies.

Throughout my internship program, the officer in charge of me gave me varied jobs and obligations from week to week. He believed in me and assigned me several responsibilities. I wasn't afraid to take on responsibility, even though these activities and obligations were unfamiliar to me and required me to execute practically for the first time. My confidence overcame my nervousness, and I was determined to do these chores flawlessly.

#### 4.1 Accounting-Related Task and Duties:

- Document financial transactions.
- Resolve discrepancies.
- Monitor the efficiency of accounting procedures and programs.
- Advise companies regarding financial problems.
- Prepare and review invoices.
- Prepare a company's year-end financial statement.
- Submit a company's annual tax return.

##### 4.1.1 Auditing Related Task and Duties:

- ↔ Examining the accounting entries in the books of accounts pertaining to vouchers, or documentary evidence;
- ↔ Verifying the legitimacy of the transactions recorded in the books of accounts;
- ↔ Assessing the sufficiency and dependability of documentary evidence
- ↔ Examined the bank book, bank statement, cash book, vouchers, and receipts from the Bengal Group of Industry.
- ↔ Every voucher and receipt for the year was examined against the cash book.
- ↔ Afterwards, the year-end ledger of accounts and the cash book were cross-checked.

##### 4.1.2 Tax Planning Related Task and Duties:

My internship duration was insufficient to complete all accounting-related tasks. Accounting is a broad field, yet my internship lasted just 480 hours. Fortunately, on the final day of my internship,

I was assigned the responsibility of assisting a coworker with tax computation work. Because that coworker shared his expertise with me, it was a fantastic chance for me to learn about taxation. I assisted a coworker in calculating NBT for BGI Concerns.

#### 4.1.3 Administrative Related Task and Duties:

During my internship period, I was also assigned to do the BGI Admin administrative-related work. The following tasks were carried out by me:

- Calculated the attendance of all workers of the Factory HR System.
- Mentioned and put red marks for latecomers.
- Calculated the salary for each worker based on the attendance.
- Prepared the pay sheet and after the payment, checked whether all staff got their salary.

#### 4.2 Internal Audit – IAD:

A company's internal controls, including its accounting and corporate governance frameworks, are examined via internal audits. These audits support accurate and timely financial reporting, data collection, and compliance with laws and regulations. The Chartered Institute of Internal Auditors states that the goal of an internal audit is to provide unbiased confirmation of the effectiveness of an organization's internal control, risk management, and governance systems.

##### 4.2.1 Audit Risk Summary:

The following are required by BSAs 315 and 330 of the auditor: the risks of material misstatement that have been identified and assessed at the financial statement and assertion levels, as well as the overall responses to address those risks; the kind, timing, and extent of additional audit procedures; the relationship between those procedures and the risks at the assertion level; and the results of the audit procedures.

##### 4.2.2 Audit risk checklist:

- In the first place, it serves as a roadmap for the many steps involved in evaluating risk and coming up with solutions for it.
- In the second place, it serves as a check list to make sure each step is completed.

### 4.3 Purchase System:

For a business, the buying system is a crucial mechanism. In order to function, businesses must be able to deliver the products and services they need continuously. Thus, selecting the best supplier, negotiating favorable conditions for goods and credit, and controlling payments are crucial to striking the correct balance between maximizing credit availability and ensuring supplier satisfaction. It all comes down to finding the right balance. The following procedure is what we will see in a typical buying system:

A) Placing Orders B) Receiving Goods & Tracking Invoices c) Payments

#### 4.3.1 Good Inward and Recordings Invoices:

The goods inward and recordings invoices are classified into major three parts, which are given below

- Risk and Control Objectives
- Control
- Test of Controls

**Risk and Control Objectives:** A company may find one or more of the following concerns while inspecting incoming items and recording invoices: merchandise may be misused for personal gain.

- It is possible to identify non-ordered goods. It's possible that invoices that result in non-payment are not recorded.
- The company is not permitted to use the whole credit period.
- The company is not allowed to record credit notes that result from overpaying demands.

\*The hazards mentioned above result in the following control goals:

- All goods and services are provided exactly as they were identified, assuming authorization was obtained.

- All commodities are requested in order to further trade goals.
- Accurate documentation is provided for all products and administrations. All incurred costs for goods and services are recognized as liabilities.
- Every credit to which the company is eligible is requested and granted.
- For an obligation to be recorded, goods and services must be received.
- The payable and apparent ledgers provide documentation for each credit note that is received.
- The appropriate payable record accounts are referenced in every component of the payable records.

**Control:** To achieve the aforementioned goals, the following kinds of controls might be implemented:

- Internal merchandise inspection.
- Documenting the receipt and entry of the items.
- Comparison of purchased items and remarks received. Numbering, referencing, and provider references for solicitations from providers.
- Examining the bills from suppliers.
- Documenting merchandise returns.
- The methods for obtaining supplier credit notes. Separation of duties, accounting, and verification processes.
- Timely entry of purchases and returns in ledgers and day books.
- Ongoing assistance with the payable's ledger. A comparison of providers' month-to-month account equalization explanations with payables record balances.

**Tests of Control:** In businesses, the following control tests are used:

- Check products solicitations.
- Examine all forms of solicitations.
- Credit note verification.



- Ensure that credit notes are properly obtained from suppliers for returns.
- Perform a numerical grouping test and investigate missing numbers. Obtain explanations for phenomena that have been unusual for a long time.
- Double-check any additions.
- Posting checks to apparent record and control accounts.
- Verify that passages have been posted to the payable ledger.
- Confirm control account breach has occurred regularly during the year.
- Look for unusual entries in control accounts.

#### 4.4 Payment Procedure:

The Payment procedure is classified into three particulars, which are given below:

- & Risk and Control Objectives
- & Control
- & Test of Controls

Risk and Control Objectives: The following risk arises at this stage of proceedings:

- ✓ False invoices are paid in error.
- ✓ Invoices are paid too soon.
- ✓ Payment is not correctly recorded.
- ✓ Credits are not correctly recorded.
- ✓ Payments are not recorded in the right period.
- ✓ All spending is for commodities that have been received and approved, and
- ✓ All expenditure is appropriately documented in the nominal and payable ledgers.

Control- Cheque and cash payments generally:

The cashier should not be concerned with maintaining or writing up books of account other than those recording payments, nor should he have to access to or be responsible for the upkeep of. The

one capable of planning cheques, on the other hand, should not be a check signing. Cheque signatories, in turn, should not be allowed to record payments.

Test of Control: For authorization of payments, the control tests are:

- Compare with paid cheques to guarantee the payee agrees.
- Check that cheques are marked by the individual authorized to do so inside their specialist limits and Check to supplier's statements.
- Check the other narrative prove accessible such as assertions, vouchers, books, etc.

#### 4.5 Employee Cost:

Payroll may be a vulnerable area for fraud; for example, fictional workers may be added to the payroll. It is critical to understand the essential components of a payroll system and to be able to spot flaws in a particular system.

The staff cost is divided into three key variables, which are shown below,

- 🕒 Calculating Wages and Salaries
- 🕒 Recordings of Wages, Salaries and Deduction
- 🕒 Payment of Wages and Salaries

#### 4.6 Wastage Delivery and Tender Procedure:

Every week at BGI, we perform typical tasks like waste sales and deliveries, and occasionally we uncover tender difficulties.

BGI has a total of 28 factories; during each closing/opening month, finished items and materials for the war are brought in and out. During this time, some unusual resources are not used, and supporting materials are not reused, which is referred to as factory waste.

We are using the tender process to sell our products for a higher price. The audit looks into every step of the process, from the tender meeting to the delivery waste method.

Plastic bottles, gallon containers, paper bags, rope, waste-supporting timber, pipes, and melamine are typically the waste items.

The best technique to create the work process is to audit, inspect, and implement the entire procedure.

#### 4.7 Physical Cash Count:

Arranging is a crucial component of cash checks since it is an important guideline that all cash equalizations be tallied at the same time as far as possible. In this scenario, cash might include unbanked checks, IOUs, and credit card slips, in addition to notes and coins. Such monetary equalizations are sometimes difficult to achieve, but in certain businesses, they may be necessary.

- ❖ As part of the planning operations, the assurance providers will need to establish the places where cash is housed and which of these sites deserve a count. Planning choices will need to be noted on the current audit file including: The specific time of the count and location.
- ❖ The names of the audit personnel performing the counts.
- ❖ The identities of the client employees planning to be present at each site.

The following things pertain to the count itself.

- ➔ It is necessary to update and write in ink any cash or petty cash books at the time of the count.
- ➔ A other method of maintaining documentation may also be suitable, dependent on the system. Every balance has to be totaled simultaneously.
- ➔ All currency counted must be documented on working papers and then reported in the current audit file.
- ➔ The assurance providers should never be left alone with the cash and negotiable securities. Prepare the reconciliation if applicable.

## Findings:

I received a summary of the Internal Audit Structure system of the Bengal Group of Industry after three months of experience and working on the report. They established an inventory audit system in two enormous plants to provide a more effective auditing process. However, the problem is the lack of auditors, experienced officers, and a proper investigation system.

1. I believe that the factory employs the analog way of selling garbage in the waste delivery operation, wasting time and effort.
2. Financial audits and auditor's bills are sometimes not kept up to date.
3. Since salaries and wages are deducted from paychecks in a high-volume period, BGI should appoint more and more knowledgeable auditors to this division.
4. Each section is organized in its furnishing, and there is efficient communication between them.
5. They have not had auditing hardship or audit default in the last five years.
6. They always have a clear focus and adhere to corporate policies, labor laws, and audit rules and regulations. Always be ready for unexpected audits and audit investigations.
7. Bengal Group of Industry has a zero-tolerance policy on corruption.
8. BGI maintains extremely high hi-tech security around the plant, head office, and staff safety.
9. In addition to maintaining an analog bookish system in manufacturing store operations, use current software in every department.
10. Every plant is very safe and secure

This is a sign of the Bengal Group of Industry's successful discoveries.

## Recommendations:

In the section where I provide recommendations, I want to state that if the Bengal Group of Industry modifies its current approach. It will be beneficial for good auditing procedures.

My innovative thoughts are stimulated by this internship program, and I am always thinking about company success in my head. I had a terrific experience with my internship program, and I saw a lot of things throughout that time. As a result, I provide some suggestions for the Bengal Group of Industry and future students based on my internship experience.

Here are some suggestions I have:

1. To provide speedier service, this department should guarantee full-scale IT support with qualified people.
2. The company should make use of communication technologies to guarantee timely feedback and communication to promptly address any complaints.
3. Hold a lighthearted staff gathering to talk about the components of excellent service and assign play roles to individuals who are knowledgeable in different facets of auditing.
4. Clearly state the rules for the auditor's participation in the visitation of the plant, surprise auditing, and audit inquiry as required.

### Conclusion:

Bengal Group of Industry has been attempting to run its company effectively since 1969. Through the provision of top-notch goods and services, this company cultivates a positive reputation and goodwill among its customers. The manufacturing industry as a whole is now dealing with intense competition and difficulties. Bengal Group of Industry is in a praiseworthy position at the moment and is quickly expanding both its businesses and goodwill.

I have come to a concise and firm conclusion in a very favorable manner over the whole term of my practical orientation in the Bengal Group of Industry. Computerized transactions are necessary to develop an effective and efficient auditing system to the highest desirable level. This business is already concentrating on new expert auditor recruiting and industrial auditing.

We can see from the discussion above and the performance analysis that the Bengal Group of Industry has an influence on its internal audit system in both good and negative ways. They will

rise to the top of Bangladesh's manufacturing sector rankings if they can resolve those issues right now.

I can say that I liked my internship at Bengal Group of Industry from the very first day from the perspective of learning and experience. I do not doubt that the three-month internship program will support me in realizing my long-term professional goals.

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Appendix  
Joining report

**BENGAL GROUP OF INDUSTRIES**  
BENGAL HOUSE, 75 GULSHAN AVENUE,  
GULSHAN-1, DHAKA-1212

**JOINING REPORT**

★ Name : MD. Zubair Alam Sayket

★ Father's Name : MD. Ashraful Alam

★ Permanent Address : Kewar, Munshiganj

★ Unit/Company Name : BPPL

★ Employment ID No. : \_\_\_\_\_ ★ Employment Ref. No. \_\_\_\_\_

★ Designation : Intern

★ Department : Audit ★ Place of Joining: Head office

★ Date of Joining : 23/02/23

★ Signature of Employee : Zubayer

[Signature]  
(Signature of Reporting Officer)

Name: Md. Nuruzzaman

ID No.: 001996

Designation: AGM

Department: Internal Audit

Date: 25/02/2023

[Signature]  
(Signature of Department Head)

Name: Md. Khorshed Alam

ID No.: 064328

Designation: GM

Department: Internal Audit

Date: 25/02/2023



## Offer letter



February 23, 2023

**Md. Zubair Alam**  
S/O: Md. Ashrafal Alam  
Kewar, Munshiganj Sadar, Munshiganj.  
Cell: 01915697153

**Subject: Offer of Internship Program.**

**Dear Mr. Zubair Alam,**

**Congratulations!**

We are pleased to offer you Internship Program with Bengal Group of Industries under **Audit Department** on the following terms and conditions:

Effective date of joining: February 23, 2023.

You will be on internship program for 3 (Three) months.

You may be required to work in any departments of the company at the sole discretion of the management.

If you accept this offer, please inform us in written.

We take the opportunity to welcome you to this organization and wish you a successful internship program with us.

Thanking You.

Sincerely

Hasan Taiab imam  
Group Head-HR

Accepted by

CC: 1. Concerned Department Head  
2. Personal File



B E N G A L G R O U P O F I N D U S T R I E S


Bengal House, 75 Gulshan Avenue, Gulshan 1, Dhaka 1212, Bangladesh Tel : (880 2) 9888248, Fax : (880 2) 8827507  
E-mail: info@bengal.com.bd, Web: www.bengal.com.bd

Regular Attendance & working places:  
**first 30 days**

**Bengal Group of Industries**  
 Attendance Sheet


Name: MD. Zubair Alam      Designation: Intern      Department: Audit


Day	Date	In Time	Out Time	Signature of Intern	Signature of Immediate Supervisor	Remarks	
Day-1	Thursday	23-Feb-23	09:00 am 05:30 pm	<u>Zubair</u>	<u>NK</u>		
Day-2	Friday	24-Feb-23	Weekend				
Day-3	Saturday	25-Feb-23	09:01 am 05:36 pm	<u>Zubair</u>	<u>NK</u>	H/O Head office	
Day-4	Sunday	26-Feb-23	09:09 am 05:10 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-5	Monday	27-Feb-23	09:04 am 05:20 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-6	Tuesday	28-Feb-23	08:58 am 05:28 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-7	Wednesday	1-Mar-23	08:59 am 05:43 pm	<u>Zubair</u>	<u>NK</u>	#to bactory-	
Day-8	Thursday	2-Mar-23	09:00 am 05:02 pm	<u>Zubair</u>	<u>NK</u>	bactory/zipani	
Day-9	Friday	3-Mar-23	Weekend				
Day-10	Saturday	4-Mar-23	09:01 am 05:06 pm	<u>Zubair</u>	<u>NK</u>	bactory/zipani	
Day-11	Sunday	5-Mar-23	07:00 am 05:30 pm	<u>Zubair</u>	<u>NK</u>	Tour/sinagari	
Day-12	Monday	6-Mar-23	08:10 am 05:40 pm	<u>Zubair</u>	<u>NK</u>	Tour/Natore	
Day-13	Tuesday	7-Mar-23	08:15 am 05:00 pm	<u>Zubair</u>	<u>NK</u>	Tour/Pabna	
Day-14	Wednesday	8-Mar-23	Shab-e-Barat				
Day-15	Thursday	9-Mar-23	09:01 am 05:35 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-16	Friday	10-Mar-23	Weekend				
Day-17	Saturday	11-Mar-23	08:57 am 05:40 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-18	Sunday	12-Mar-23	08:55 am 05:30 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-19	Monday	13-Mar-23	08:57 am 05:25 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-20	Tuesday	14-Mar-23	07:00 am 05:30 pm	<u>Zubair</u>	<u>NK</u>	Tour/Raishahi	
Day-21	Wednesday	15-Mar-23	08:00 am 05:00 pm	<u>Zubair</u>	<u>NK</u>	11/Raishahi	
Day-22	Thursday	16-Mar-23	09:02 am 05:35 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-23	Friday	17-Mar-23	Weekend				
Day-24	Saturday	18-Mar-23	09:00 am 05:25 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-25	Sunday	19-Mar-23	09:01 am 05:40 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-26	Monday	20-Mar-23	08:55 am 05:30 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-27	Tuesday	21-Mar-23	09:02 am 05:19 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-28	Wednesday	22-Mar-23	08:46 am 05:16 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-29	Thursday	23-Mar-23	08:50 am 05:01 pm	<u>Zubair</u>	<u>NK</u>	H/O	
Day-30	Friday	24-Mar-23	Weekend				

  
 25/05/23  
 Md. Nuruzzaman  
 Asst. General Manager  
 Internal Audit Dept. BG




Middle month (day 31 \_to\_ day 60)

 <b>Bengal Group of Industries</b> Attendance Sheet							
Name: Md. Zubair Alam Sayket		Designation: Intern		Department: Internal Audit			
Day	Date	In Time	Out Time	Signature of Intern	Signature of Immediate Supervisor	Remarks	
Day-31	Saturday	25-Mar-23	08:56am 04:08 pm			H/O Ramadan	
Day-32	Sunday	26-Mar-23	Independence Day				
Day-33	Monday	27-Mar-23	08:37am 04:00 pm			H/O-Ramadan	
Day-34	Tuesday	28-Mar-23	09:03am 04:02 pm			H/O-Ramadan	
Day-35	Wednesday	29-Mar-23	08:45am 04:00 pm			H/O R "	
Day-36	Thursday	30-Mar-23	08:55am 09:08 pm			H/O R "	
Day-37	Friday	31-Mar-23	Weekend				
Day-38	Saturday	1-Apr-23	08:57am 04:10 pm			H/O R "	
Day-39	Sunday	2-Apr-23	09:05am 04:00 pm			Jirani tractor	
Day-40	Monday	3-Apr-23	09:02am 04:05 pm			H/O Ramadan	
Day-41	Tuesday	4-Apr-23	09:07am 04:02 pm			H/O "	
Day-42	Wednesday	5-Apr-23	sick leave				
Day-43	Thursday	6-Apr-23	08:45am 04:10 pm			H/O "	
Day-44	Friday	7-Apr-23	Weekend				
Day-45	Saturday	8-Apr-23	08:50am 09:07 pm			H/O "	
Day-46	Sunday	9-Apr-23	08:49am 04:04 pm			H/O "	
Day-47	Monday	10-Apr-23	08:39am 04:05 pm			H/O "	
Day-48	Tuesday	11-Apr-23	08:44am 04:07 pm			H/O "	
Day-49	Wednesday	12-Apr-23	08:37am 04:02 pm			H/O "	
Day-50	Thursday	13-Apr-23	08:38am 04:11 pm			H/O "	
Day-51	Friday	14-Apr-23	Weekend				
Day-52	Saturday	15-Apr-23	08:55am 04:06 pm			H/O "	
Day-53	Sunday	16-Apr-23	08:57am 04:07 pm			H/O "	
Day-54	Monday	17-Apr-23	09:03am 04:08 pm			H/O "	
Day-55	Tuesday	18-Apr-23	08:56am 04:06 pm			H/O "	
Day-56	Wednesday	19-Apr-23	08:55am 04:07 pm			H/O "	
Day-57	Thursday	20-Apr-23	Holiday				
Day-58	Friday	21-Apr-23	Weekend				
Day-59	Saturday	22-Apr-23	Eid-ul-Fitre				
Day-60	Sunday	23-Apr-23					

  
 21/05/23  
 Md. Nuruzzaman  
 Asst. General Manager  
 Internal Audit Dept. BGI



The last 30 days (day 61 – day 92)



## Bengal Group of Industries

Attendance Sheet

Name: Md. Zubair Alam Sayket      Designation: Intern      Department: Audit

Date	Date	In Time	Out Time	Signature of Intern	Signature of Immediate Supervisor	Remarks	
Day-61	Monday	24-Apr-23	08:51 am 05:15 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-62	Tuesday	25-Apr-23	08:59 am 05:20 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-63	Wednesday	26-Apr-23	08:55 am 05:30 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-64	Thursday	27-Apr-23	08:51 am 05:35 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-65	Friday	28-Apr-23	Weekend				
Day-66	Saturday	29-Apr-23	09:01 am 05:31 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-67	Sunday	30-Apr-23	08:45 am 05:09 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-68	Monday	1-May-23	May Day				
Day-69	Tuesday	2-May-23	08:48 am 05:17 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-70	Wednesday	3-May-23	09:02 am 05:23 pm	<i>[Signature]</i>	<i>[Signature]</i>	Training Session	
Day-71	Thursday	4-May-23	09:00 am 05:00 pm	<i>[Signature]</i>	<i>[Signature]</i>	ev. writing to int view fdee	
Day-72	Friday	5-May-23	Weekend				
Day-73	Saturday	6-May-23	09:05 am 05:10 pm	<i>[Signature]</i>	<i>[Signature]</i>	Market visit <sup>Bus</sup> <sub>Pass</sub>	
Day-74	Sunday	7-May-23	08:58 am 05:36 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-75	Monday	8-May-23	09:00 am 05:30 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-76	Tuesday	9-May-23	09:01 am 05:25 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-77	Wednesday	10-May-23	08:56 am 05:27 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-78	Thursday	11-May-23	08:47 am 05:33 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-79	Friday	12-May-23	Weekend				
Day-80	Saturday	13-May-23	08:55 am 05:27 pm	<i>[Signature]</i>	<i>[Signature]</i>	Factory Zinab	
Day-81	Sunday	14-May-23	08:49 am 05:10 pm	<i>[Signature]</i>	<i>[Signature]</i>	(2) H/O	
Day-82	Monday	15-May-23	08:48 am 05:29 pm	<i>[Signature]</i>	<i>[Signature]</i>	Factory Zinab	
Day-83	Tuesday	16-May-23	08:51 am 05:05 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O Training	
Day-84	Wednesday	17-May-23	08:53 am 05:10 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O Training	
Day-85	Thursday	18-May-23	09:01 am 05:12 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-86	Friday	19-May-23	Weekend				
Day-87	Saturday	20-May-23	08:56 am 05:25 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-88	Sunday	21-May-23	08:50 am 05:30 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-89	Monday	22-May-23	09:05 am 05:27 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-90	Tuesday	23-May-23	08:54 am 05:10 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-91	Wednesday	24-May-23	08:55 am 05:30 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-92	Thursday	25-May-23	09:00 am 05:10 pm	<i>[Signature]</i>	<i>[Signature]</i>	H/O	
Day-93	Friday	26-May-23	Weekend				
Day-94	Saturday	27-May-23					
Day-95	Sunday	28-May-23					
Day-96	Monday	29-May-23					
Day-97	Tuesday	30-May-23					

*[Signature]*  
25.05.23  
Md. Nuruzzaman  
Asst. General Manager  
Internal Audit Dept. BGI.

## **Questionary**

1. What role do you play in this company?
2. What academic background do you have?
3. How long have you worked in this field?
4. In which department do you now work?
5. How do you feel about the internal audit of the Bengal Group of Industries?
6. How can internal audits assist you in your work?
7. Do you believe that an organization should conduct an internal audit? If so, do provide a reason.
8. From the standpoint of the Bengal Group of Industries, could you please enumerate some advantages and disadvantages of internal audits?
9. What do you think of the process development that the internal audit has formed?

**Internship proposal**

Internal Audit Structure of Bengal Group of Industries

Md. Zubair Alam Sayket

ID: 18204037

**Supervisor**

Dr. Suman Paul Chowdhury, PhD

Associate Professor &

Area Director-Accounting & Finance

BRAC Business School

**Co-Supervisor**

Dr. Md. Arif Hossain Mazumdar, PhD

Assistant Professor

BRAC Business School.

BRAC University

Date: 22 August 2023

## **Goals for an internship**

The study's goal is to provide participants with a firm understanding of and some real-world auditing experience, management, and investigation of the Bengal Group of Industry. This report is designed to learn more about the overall auditing system of the Bengal Group of Industry. In addition, the study seeks to achieve the following objectives:

- To provide an overview of the internal auditing practice structure of the Bengal Group of Industry
- To find out the BGI's current situation and Control of the Audit
- To get an overview of this organization's business performance.

## **Background information**

For a very long time, the CA profession has been respected all around the globe. In compliance with President's Order No. 2 of 1973, The Bangladesh Chartered Accounts Order, an independent organization called ICAB was founded in Bangladesh to oversee the accounting profession and other matters (ICAB, 2022). In order to improve corporate governance, business enterprise, and environmental sustainability in the business world, Bangladesh has made steady progress in this area since then. There are now 92 partnership and 72 proprietorship CA businesses with over 384 active members. Due of the very low passing rate, this raises the profession's stature and appeal, the number is not as high as it should be. Over 628 firms are registered on the stock market out of thousands of local businesses and approximately 921 global corporations that operate in Bangladesh. It takes skilled accountants to help these businesses. There is a common misperception that chartered accountants just manage a company's accounting department. Chartered accountants play a crucial role in the expansion of corporate operations, financial organization, legal status, mergers, and acquisitions.

## **Problem Statement**

Most often, the concerned company's anomalies are discovered by an external audit team, and the company itself is completely unaware of them. Minimize this kind of financial report mismatch and find a long-term remedy are the objectives of the internal audit. It may be challenging for large organizations with complex organizational systems to keep up with legal and financial requirements. Any inaccurate information in the financial statement has the potential to deceive stakeholders, who are therefore left in the dark by the law. Furthermore, a lack of internal management also contributes to the demise of many big businesses.

Additionally, organizations with various departments must preserve the interdependence between them to function efficiently and enhance their reputation. For this reason, internal process development is necessary to provide appropriate criteria for how something should be done. A manufacturing business, for example, has to acquire raw materials for production, but how should they do it and who will be held accountable if anything goes wrong? Companies often encounter this issue, and in this situation, auditors are the most trustworthy lifeline. They assisted a company in establishing standard operating procedures (SOP) and figuring out the scope of development (SOD) as an impartial third party. The audit team also assisted in resolving issues that businesses had with the recording and accounting requirements.

## **Methodology**

The main objective of the research work is to find out the Internal Audit control of the Bengal Group. To fulfill the research, a lot of data required are question is designed for collecting data from Employees and external Sources of Bengal Group of Industries.

I've applied both primary and secondary data to prepare my report. I tried to solicit different people in the department without questionnaires; they wouldn't present a reply to my questions. I have also used some secondary data published in the newsletter of the GROUP, brochures, catalogs, and websites, and from some books and magazines. On top of that, I used to note down my daily activities and always try to follow the culture of Bengal Group to gather maximum information.



## Work Description

There are three sections to this 12-week internship program. A person will get acquainted with the job procedure and receive recognition with the necessary documentation as a result. It also discusses office etiquette, confidentiality rules, and work ethics. After that, I'll begin working in the second week and have access to businesses' operational procedures. Additionally, it includes a field trip that will allow students to visit the EPZ, Zirabo, and Zirani factories in person and get a firsthand look at their whole production process, which will assist in everything going according to schedule. I will get familiar with the data input, extraction, and physical auditing procedures in light of this. Finally, I will connect academic work with academic learning and write a thorough report on my experience.

## Project Timeline

Week 1	Choose a topic, prepare initial plan.
Week 2	Research topic and collect research papers
Week 3	Chapter 1
Week 4	Gather necessary Information.
Week 5	Having outdoor physical Audit.
Week 6	Chapter 2
Week 7	Collect data from survey and news paper, questionnaire
Week 8	Prepare and submit Project proposal
Week 9	Chapter 3
Week 10	Complete 1 <sup>st</sup> draft
Week 11	Check plagiarism
Week 12	Finalize the whole report