|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R1 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Signed off contact / frame agreement with distributor. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| The person who is interested to be a distributor expresses his interest for distributorship in a designated form along with other required documents. If the documents fulfill all requirement of XYZ Limited, then the Company approves the person for distributorship and enters into a distributor contract/frame agreement. This agreement is duly signed off and authorised by the head of concerned business unit of the Company. | | | | | | | |
|
|
|
|
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low: risk of control failure is low as the control is performed by personnel who are experienced in performing this function and have good control consciousness, previous audits have not detected control deviations nor misstatements in the related significant accounts or disclosures and the control is a routine recurring control. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  | √ | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Checked the frame agreement selected and observed whether these are signed off/authorised duly. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sample No.** | **Distributor name** | **Agreement Signing date** | **Agreement signed by** | | **Remarks** |
| **On behalf of distributor** | **On behalf of the Company** |
| 1 | <Name> | 11-Mar-14 | <Name> | <Name> | Satisfactory |
| 2 | <Name> | 3-Feb-14 | <Name> | <Name> | Satisfactory |
| 3 | <Name> | 28-Dec-14 | <Name> | <Name> | Satisfactory |
| 4 | <Name> | 28-Dec-14 | <Name> | <Name> | Satisfactory |
| 5 | <Name> | 27-Mar-14 | <Name> | <Name> | Satisfactory |
| 6 | <Name> | 9-Aug-14 | <Name> | <Name> | Satisfactory |
| 7 | <Name> | 29-Mar-14 | <Name> | <Name> | Satisfactory |
| 8 | <Name> | 10-May-14 | <Name> | <Name> | Satisfactory |
| 9 | <Name> | 28-Jan-14 | <Name> | <Name> | Satisfactory |
| 10 | <Name> | 1-Jan-14 | <Name> | <Name> | Satisfactory |
| 11 | <Name> | 16-Nov-14 | <Name> | <Name> | Satisfactory |
| 12 | <Name> | 19-Jun-14 | <Name> | <Name> | Satisfactory |
| 13 | <Name> | 18-Jul-14 | <Name> | <Name> | Satisfactory |
| 14 | <Name> | 31-May-14 | <Name> | <Name> | Satisfactory |
| 14 | <Name> | 25-Mar-14 | <Name> | <Name> | Satisfactory |
| 16 | <Name> | 24-Jan-14 | <Name> | <Name> | Satisfactory |
| 17 | <Name> | 31-Mar-14 | <Name> | <Name> | Satisfactory |
| 18 | <Name> | 14-Feb-14 | <Name> | <Name> | Satisfactory |
| 19 | <Name> | 11-Dec-14 | <Name> | <Name> | Satisfactory |
| 20 | <Name> | 13-Jul-14 | <Name> | <Name> | Satisfactory |
| 21 | <Name> | 16-Sep-14 | <Name> | <Name> | Satisfactory |
| 22 | <Name> | 30-Apr-14 | <Name> | <Name> | Satisfactory |
| 23 | <Name> | 19-Oct-14 | <Name> | <Name> | Satisfactory |
| 24 | <Name> | 26-Mar-14 | <Name> | <Name> | Satisfactory |
| 25 | <Name> | 5-Feb-14 | <Name> | <Name> | Satisfactory |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Observations:** | No exception noted |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TOE conclusion:** | Effective |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R2 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Authorisation of new customers. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| When a new customer wants to get enlisted with the Company, he needs to apply on the designated form of the Company. Then the head of respective business unit authorized the customer application and sends to IT department for listing the new customer into the system. | | | | | | | |
|
|
|
|
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  | √ | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Checked whether the new customers are authorized by the appropriate personnel duly. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sample No.** | **Customer name** | **Authorized by** | **Authorisation date** | **Remarks** |
| 1 | <Name> | <Name> | 11-Mar-14 | Satisfactory |
| 2 | <Name> | <Name> | 3-Feb-14 | Satisfactory |
| 3 | <Name> | <Name> | 28-Dec-14 | Satisfactory |
| 4 | <Name> | <Name> | 28-Dec-14 | Satisfactory |
| 5 | <Name> | <Name> | 27-Mar-14 | Satisfactory |
| 6 | <Name> | <Name> | 9-Aug-14 | Satisfactory |
| 7 | <Name> | <Name> | 29-Mar-14 | Satisfactory |
| 8 | <Name> | <Name> | 10-May-14 | Satisfactory |
| 9 | <Name> | <Name> | 28-Jan-14 | Satisfactory |
| 10 | <Name> | <Name> | 1-Jan-14 | Satisfactory |
| 11 | <Name> | <Name> | 16-Nov-14 | Satisfactory |
| 12 | <Name> | <Name> | 19-Jun-14 | Satisfactory |
| 13 | <Name> | <Name> | 18-Jul-14 | Satisfactory |
| 14 | <Name> | <Name> | 31-May-14 | Satisfactory |
| 14 | <Name> | <Name> | 25-Mar-14 | Satisfactory |
| 16 | <Name> | <Name> | 24-Jan-14 | Satisfactory |
| 17 | <Name> | <Name> | 31-Mar-14 | Satisfactory |
| 18 | <Name> | <Name> | 14-Feb-14 | Satisfactory |
| 19 | <Name> | <Name> | 11-Dec-14 | Satisfactory |
| 20 | <Name> | <Name> | 13-Jul-14 | Satisfactory |
| 21 | <Name> | <Name> | 16-Sep-14 | Satisfactory |
| 22 | <Name> | <Name> | 30-Apr-14 | Satisfactory |
| 23 | <Name> | <Name> | 19-Oct-14 | Satisfactory |
| 24 | <Name> | <Name> | 26-Mar-14 | Satisfactory |
| 25 | <Name> | <Name> | 5-Feb-14 | Satisfactory |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Observations:** | No exception noted |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TOE conclusion:** | Effective |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R3 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Authorisation of invoices | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| Concerned person of the sales department raise invoices based on the orders placed by sales team. Then the head of respective business unit authorizes the invoice. | | | | | | | |
|
|
|
|
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  | √ | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Checked whether the new customers are authorized by the appropriate personnel duly. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Sample No.** | **Invoice Number** | **Prepared by** |  | **Authorized by** | **Authorisation date** | **Remarks** |
| 1 | <Number> | <Name> |  | <Name> | 11-Mar-14 | Satisfactory |
| 2 | <Number> | <Name> |  | <Name> | 3-Feb-14 | Satisfactory |
| 3 | <Number> | <Name> |  | <Name> | 28-Dec-14 | Satisfactory |
| 4 | <Number> | <Name> |  | <Name> | 28-Dec-14 | Satisfactory |
| 5 | <Number> | <Name> |  | <Name> | 27-Mar-14 | Satisfactory |
| 6 | <Number> | <Name> |  | <Name> | 9-Aug-14 | Satisfactory |
| 7 | <Number> | <Name> |  | <Name> | 29-Mar-14 | Satisfactory |
| 8 | <Number> | <Name> |  | <Name> | 10-May-14 | Satisfactory |
| 9 | <Number> | <Name> |  | <Name> | 28-Jan-14 | Satisfactory |
| 10 | <Number> | <Name> |  | <Name> | 1-Jan-14 | Satisfactory |
| 11 | <Number> | <Name> |  | <Name> | 16-Nov-14 | Satisfactory |
| 12 | <Number> | <Name> |  | <Name> | 19-Jun-14 | Satisfactory |
| 13 | <Number> | <Name> |  | <Name> | 18-Jul-14 | Satisfactory |
| 14 | <Number> | <Name> |  | <Name> | 31-May-14 | Satisfactory |
| 14 | <Number> | <Name> |  | <Name> | 25-Mar-14 | Satisfactory |
| 16 | <Number> | <Name> |  | <Name> | 24-Jan-14 | Satisfactory |
| 17 | <Number> | <Name> |  | <Name> | 31-Mar-14 | Satisfactory |
| 18 | <Number> | <Name> |  | <Name> | 14-Feb-14 | Satisfactory |
| 19 | <Number> | <Name> |  | <Name> | 11-Dec-14 | Satisfactory |
| 20 | <Number> | <Name> |  | <Name> | 13-Jul-14 | Satisfactory |
| 21 | <Number> | <Name> |  | <Name> | 16-Sep-14 | Satisfactory |
| 22 | <Number> | <Name> |  | <Name> | 30-Apr-14 | Satisfactory |
| 23 | <Number> | <Name> |  | <Name> | 19-Oct-14 | Satisfactory |
| 24 | <Number> | <Name> |  | <Name> | 26-Mar-14 | Satisfactory |
| 25 | <Number> | <Name> |  | <Name> | 5-Feb-14 | Satisfactory |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Observations:** | No exception noted |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TOE conclusion:** | Effective |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R4 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Approval of credit limit and credit terms. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| Before selling goods to a particular customer on credit, the customer needs to get enlisted to the credit facility offered by ABC Limited. For this purpose, the potential customer needs to apply for credit facilities in a designated form and submit all relevant documents. Also, the customer needs to give a security as per Company policy. All these documents are scrutinized by regional sales personnel and recommended by concerned business manager. Then the customer gets approved by the business director. | | | | | | | |
|
|
|
|

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  |  | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Obtained credit application forms and relevant documents for 25 customers selected on haphazard basis and checked the approvals for enlistment in credit facilities offered by ABC Limited. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sample No.** | **Customer name** | **Credit limit** | **Credit terms (in days/ months)** | **Credit facility recommended by** | **Credit facility approved by** | **Date of approval** | **Remarks** |
| 1 | <Name> | <Taka> | <Number> | <Name> | <Name> | 11-Mar-14 | Approval found |
| 2 | <Name> | <Taka> | <Number> | <Name> | <Name> | 3-Feb-14 | Approval found |
| 3 | <Name> | <Taka> | <Number> | <Name> | <Name> | 28-Dec-14 | Approval found |
| 4 | <Name> | <Taka> | <Number> | <Name> | <Name> | 28-Dec-14 | Approval found |
| 5 | <Name> | <Taka> | <Number> | <Name> | <Name> | 27-Mar-14 | Approval found |
| 6 | <Name> | <Taka> | <Number> | <Name> | <Name> | 9-Aug-14 | Approval found |
| 7 | <Name> | <Taka> | <Number> | <Name> | <Name> | 29-Mar-14 | Approval found |
| 8 | <Name> | <Taka> | <Number> | <Name> | <Name> | 10-May-14 | Approval found |
| 9 | <Name> | <Taka> | <Number> | <Name> | <Name> | 28-Jan-14 | Approval found |
| 10 | <Name> | <Taka> | <Number> | <Name> | <Name> | 1-Jan-14 | Approval found |
| 11 | <Name> | <Taka> | <Number> | <Name> | <Name> | 16-Nov-14 | Approval found |
| 12 | <Name> | <Taka> | <Number> | <Name> | <Name> | 19-Jun-14 | Approval found |
| 13 | <Name> | <Taka> | <Number> | <Name> | <Name> | 18-Jul-14 | Approval found |
| 14 | <Name> | <Taka> | <Number> | <Name> | <Name> | 31-May-14 | Approval found |
| 14 | <Name> | <Taka> | <Number> | <Name> | <Name> | 25-Mar-14 | Approval found |
| 16 | <Name> | <Taka> | <Number> | <Name> | <Name> | 24-Jan-14 | Approval found |
| 17 | <Name> | <Taka> | <Number> | <Name> | <Name> | 31-Mar-14 | Approval found |
| 18 | <Name> | <Taka> | <Number> | <Name> | <Name> | 14-Feb-14 | Approval found |
| 19 | <Name> | <Taka> | <Number> | <Name> | <Name> | 11-Dec-14 | Approval found |
| 20 | <Name> | <Taka> | <Number> | <Name> | <Name> | 13-Jul-14 | Approval found |
| 21 | <Name> | <Taka> | <Number> | <Name> | <Name> | 16-Sep-14 | Approval found |
| 22 | <Name> | <Taka> | <Number> | <Name> | <Name> | 30-Apr-14 | Approval found |
| 23 | <Name> | <Taka> | <Number> | <Name> | <Name> | 19-Oct-14 | Approval found |
| 24 | <Name> | <Taka> | <Number> | <Name> | <Name> | 26-Mar-14 | Approval found |
| 25 | <Name> | <Taka> | <Number> | <Name> | <Name> | 5-Feb-14 | Approval found |

|  |  |
| --- | --- |
| **Observations:** | No exception noted |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R5 | |  | |  |  |  |  |  |
|  |  | |  | |  |  |  |  |  |
| **Control name:** | Exception/ edit report review – sales orders exceeding credit limits. | | | | | | | | |
|  |  | |  | |  |  |  |  |  |
| **Nature of control :** | Automated | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Sample size:** | 1 | |  | |  |  |  |  |  |
|  |  | |  | |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring automated control.) | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Sampling technique** | As the control is automated, 1 specific item has been selected for testing. | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | | | |
| **Testing Procedures:** | |  | | --- | | Inquired with Mr. K, Representative from distribution center. |  |  | | --- | | Informed from Mr. K that customers credit limit & credit days are approved by Credit Division and they are responsible for entering credit limit & credit days in the system. At distribution center, no one can create or modify customer’s credit limit or credit days in sales module. |  |  | | --- | | Demonstration is performed in sales system at distribution center. |  |  | | --- | | Checked and confirmed that generation of sales order over the credit limit or credit days is restricted. | | | | | | | | | |
|  |  | |  | |  |  |  |  |  |
| **Observations:** | | No exception noted | |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R6 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Approval of price list. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| Respective business team prepares a proposed price for a particular product and gets it recommended by respective business head. Finally, the price gets approved by respective executive director and then sent to IT department. Then the price is updated in the system. | | | | | | | |
|
|
|
|

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  | √ | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Checked the hardcopy of price approval for the selected samples. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sample No.** | **Product name** | **Approved by** | **Date of approval** | **Remarks** |
| 1 | <Name> | <Name> | 11-Mar-14 | Approval found |
| 2 | <Name> | <Name> | 3-Feb-14 | Approval found |
| 3 | <Name> | <Name> | 28-Dec-14 | Approval found |
| 4 | <Name> | <Name> | 28-Dec-14 | Approval found |
| 5 | <Name> | <Name> | 27-Mar-14 | Approval found |
| 6 | <Name> | <Name> | 9-Aug-14 | Approval found |
| 7 | <Name> | <Name> | 29-Mar-14 | Approval found |
| 8 | <Name> | <Name> | 10-May-14 | Approval found |
| 9 | <Name> | <Name> | 28-Jan-14 | Approval found |
| 10 | <Name> | <Name> | 1-Jan-14 | Approval found |
| 11 | <Name> | <Name> | 16-Nov-14 | Approval found |
| 12 | <Name> | <Name> | 19-Jun-14 | Approval found |
| 13 | <Name> | <Name> | 18-Jul-14 | Approval found |
| 14 | <Name> | <Name> | 31-May-14 | Approval found |
| 14 | <Name> | <Name> | 25-Mar-14 | Approval found |
| 16 | <Name> | <Name> | 24-Jan-14 | Approval found |
| 17 | <Name> | <Name> | 31-Mar-14 | Approval found |
| 18 | <Name> | <Name> | 14-Feb-14 | Approval found |
| 19 | <Name> | <Name> | 11-Dec-14 | Approval found |
| 20 | <Name> | <Name> | 13-Jul-14 | Approval found |
| 21 | <Name> | <Name> | 16-Sep-14 | Approval found |
| 22 | <Name> | <Name> | 30-Apr-14 | Approval found |
| 23 | <Name> | <Name> | 19-Oct-14 | Approval found |
| 24 | <Name> | <Name> | 26-Mar-14 | Approval found |
| 25 | <Name> | <Name> | 5-Feb-14 | Approval found |

|  |  |
| --- | --- |
| **Observations:** | No exception noted |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R7 | |  | |  |  |  |  |  |
|  |  | |  | |  |  |  |  |  |
| **Control name:** | Exception/ edit report review – master price list overrides. | | | | | | | | |
|  |  | |  | |  |  |  |  |  |
| **Nature of control :** | Automated | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Sample size:** | 1 | |  | |  |  |  |  |  |
|  |  | |  | |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring automated control.) | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Sampling technique** | As the control is automated, 1 specific item has been selected for testing. | | | | | | | | |
|
|  |  | |  | |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | | | |
| **Testing Procedures:** | |  | | --- | | Inquired with Mr. K, Representative from distribution center. |  |  | | --- | | Informed from Mr. K that master price list is updated and approved by respective business units and then IT department is responsible for configuring prices in the system. At distribution center, no employee can override the price as configured in the system while making sales invoice to the customers. |  |  | | --- | | 2. Demonstration is performed in sales system at distribution center. |  |  | | --- | | 3. Checked and confirmed that master price list cannot be overridden. | | | | | | | | | |
|  |  | |  | |  |  |  |  |  |
| **Observations:** | | No exception noted | |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R8 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Authorisation and recalculation of trade discount and promotion/ incentives. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| Relevant business unit team proposes general and specific trade discount for each product and respective head of business unit approves it. | | | | | | | |
|
|
|
|

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Recurring | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 25 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, recurring manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed recurring, 25 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  |  | √ | √ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Obtained 25 specific customers who enjoy different trade discount and promotional offers and then obtained and checked approval documents for the same. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Sample No.** | **Customer name** | **Applicable trade discount** | **Promotional offer applicable?** | **Recalculated by** | **Approved by** | **Date of approval** | **Remarks** |
| 1 | <Name> | <Percentage> | √ | <Name> | <Name> | 11-Mar-14 | Approval found |
| 2 | <Name> | <Percentage> | √ | <Name> | <Name> | 3-Feb-14 | Approval found |
| 3 | <Name> | <Percentage> | √ | <Name> | <Name> | 28-Dec-14 | Approval found |
| 4 | <Name> | <Percentage> | √ | <Name> | <Name> | 28-Dec-14 | Approval found |
| 5 | <Name> | <Percentage> | √ | <Name> | <Name> | 27-Mar-14 | Approval found |
| 6 | <Name> | <Percentage> | √ | <Name> | <Name> | 9-Aug-14 | Approval found |
| 7 | <Name> | <Percentage> | √ | <Name> | <Name> | 29-Mar-14 | Approval found |
| 8 | <Name> | <Percentage> | √ | <Name> | <Name> | 10-May-14 | Approval found |
| 9 | <Name> | <Percentage> | √ | <Name> | <Name> | 28-Jan-14 | Approval found |
| 10 | <Name> | <Percentage> | √ | <Name> | <Name> | 1-Jan-14 | Approval found |
| 11 | <Name> | <Percentage> | √ | <Name> | <Name> | 16-Nov-14 | Approval found |
| 12 | <Name> | <Percentage> | √ | <Name> | <Name> | 19-Jun-14 | Approval found |
| 13 | <Name> | <Percentage> | √ | <Name> | <Name> | 18-Jul-14 | Approval found |
| 14 | <Name> | <Percentage> | √ | <Name> | <Name> | 31-May-14 | Approval found |
| 14 | <Name> | <Percentage> | √ | <Name> | <Name> | 25-Mar-14 | Approval found |
| 16 | <Name> | <Percentage> | √ | <Name> | <Name> | 24-Jan-14 | Approval found |
| 17 | <Name> | <Percentage> | √ | <Name> | <Name> | 31-Mar-14 | Approval found |
| 18 | <Name> | <Percentage> | √ | <Name> | <Name> | 14-Feb-14 | Approval found |
| 19 | <Name> | <Percentage> | √ | <Name> | <Name> | 11-Dec-14 | Approval found |
| 20 | <Name> | <Percentage> | √ | <Name> | <Name> | 13-Jul-14 | Approval found |
| 21 | <Name> | <Percentage> | √ | <Name> | <Name> | 16-Sep-14 | Approval found |
| 22 | <Name> | <Percentage> | √ | <Name> | <Name> | 30-Apr-14 | Approval found |
| 23 | <Name> | <Percentage> | √ | <Name> | <Name> | 19-Oct-14 | Approval found |
| 24 | <Name> | <Percentage> | √ | <Name> | <Name> | 26-Mar-14 | Approval found |
| 25 | <Name> | <Percentage> | √ | <Name> | <Name> | 5-Feb-14 | Approval found |

|  |  |
| --- | --- |
| **Observations:** | No exception noted |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | |  | |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  |  |  |  |

|  |  |
| --- | --- |
| **Objective:** | To test controls to obtain sufficient & appropriate audit evidence as to the operating effectiveness of relevant controls. |
|  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Control ID:** | R9 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Control name:** | Management review of sales cut-off. | | | | | | |
|  |  |  |  |  |  |  |  |
| **How the control is performed:** | |  |  |  |  |  |  |
| At the end of each quarter, respective business unitmonitors that whether the goods sold on last day are delivered to the customers accordingly and thus whether there is a cut-off problem for revenue recognition. Then, they document the works performed and get the document signed off by the head of business unit. | | | | | | | |
|
|
|
|

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Nature of control :** | Manual | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Frequency of control:** | Quarterly | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sample size:** | 2 |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Risk of failure** | Low (The control is performed by personnel who are experienced in performing this function and have good control consciousness. Control is a routine, quarterly manual control.) | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Sampling technique** | As the control is manual and performed quarterly, 2 specific items have been selected for testing. | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Assertions:** | **Completeness** | **Occurrence** | **Accuracy** | **Valuation** | **Ownership** | **Presentation** |  |
|  | √ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Test of Operating Effectiveness (TOE)** | | | | | | | |
| **Scope:** | <Interim> or <Final> | | | | | | |
| **Testing Procedures:** | Checked the hardcopy of cut-off review documents for 2 months and checked whether these are signed-off accordingly. | | | | | | |
|  |  |  |  |  |  |  |  |
| **Testing:** |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sample No.** | **Month** | **Approved by** | **Date of approval** | **Remarks** |
| 1 | March 2014 | <Name> | 2-Apr-14 | Approval found |
| 2 | September 2014 | <Name> | 1-Oct-14 | Approval found |

|  |  |
| --- | --- |
| **Observations:** | No exception noted |

|  |  |
| --- | --- |
| **TOE conclusion:** | Effective |

**Disclaimer:** Dummy audit working files have been prepared and published to improve the quality of audit documentation of member firms providing audit services in Bangladesh. Member firms providing audit services should not assume these dummy working files as absolute benchmark for the purpose of preparing and keeping audit documentation. Every audit client has unique characteristics and risks. International Standards on Auditing (ISA) also requires to exercise engagement partner’s judgment on a number of areas in conducting the audit of an entity. Therefore, member firms should use their professional knowledge, skill, experiences along with these dummy working files to keep adequate and appropriate working papers for each audit engagement. The preparers do not assume any liability for drawing an inappropriate audit opinion based on the working papers prepared on the basis of these dummy working files.