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| --- | --- | --- | --- |
| Client:XYZ Limited | Year end: 31-12-2014 | File No. | **Ref: U** |

**SUMMARY SHEET — VALUE ADDED TAX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Planning** | | **Final** | | |
| ***Audit objectives*** | ***Number of key tests which satisfy objective\**** | ***Reference to bespoke tests to be carried out*** | ***Are you satisfied that the objectives have been met?*** | ***Comments*** | ***Initials*** |
| 1 To ensure that VAT has been correctly accounted for. | 4 |  | Yes |  |  |
| 2 To ensure any potential liabilities have been identified. | 6, 7, 8, 9 |  | Yes |  |  |
| 3 To confirm that any necessary disclosures concerning VAT have been made and that the information is appropriately presented and described. | 10 |  | Yes |  |  |

***Planning conclusion***

I am satisfied that from the tests planned sufficient evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reviewed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Final conclusion***

From the audit work carried out I confirm that:

1. � the work has been performed in accordance with the audit programme;
2. � the work performed and the results obtained have been adequately documented;
3. � all necessary information has been collected for the preparation of the statutory accounts, &
4. � in my opinion (subject to matters highlighted on B5 or B8)\* VAT is fairly stated.

Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reviewed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Alternative conclusion***(ANY alternative conclusion MUST be referred to on B5 or B8)

Prepared by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Reviewed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* Delete if not applicable.

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| **Client: XYZ Ltd** |  | **Tailored by:** | **Date:** | **Ref: U2** |
| **Year end: 31-12-14** | **File no:** | **Tailoring reviewed by:** | **Date:** |
| **Completion reviewed by** | **Date:** |

**AUDIT PROGRAMME — VALUE ADDED TAX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | ***Test required Y/N*** | ***Results satisfactory Y/N*** | ***Sch. Ref*** | ***Comments*** | ***Initials and date*** |
| ***General***  1 (a) Agree opening balances to last year’s accounts. | Y | Y | U2.1.1 |  |  |
| 1. (b) Obtain and check, or prepare, a lead schedule for the current year’s figures. | Y | Y | Do |  |  |
| 1. (c) Enquire into and make notes of reasons for any major variations from expectations. | N/A | N/A | N/A |  |  |
| 2 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on B5 or B8. Consider the impact on the remainder of the audit work and on any work undertaken to date. | Y | N/A |  | Not required |  |
| 3 Review for large and/or unusual items and verify. | Y | Y | U2.1.1 | Nothing to report |  |
| 4 Obtain and check, or prepare, a VAT control account. Agree the VAT creditor or repayment due to the relevant VAT return. | …..Y | Y |  |  |  |
| 5 Vouch the entries on the VAT control account to the VAT returns. | Y | Y | P2.3 | VAT reconciliation |  |
| 6 Reconcile the turnover as per the accounts to the outputs recorded on the VAT returns. | Y | Y | P2.3 |  |  |
| 7 Reconcile the potential VAT on the turnover per the accounts to the outputs on the VAT control account. | Y | Y | P2.3 |  |  |
| 8 Review the client’s VAT affairs, including any correspondence, and ensure that adequate provision is made for any possible penalties and interest on under-declarations. | Y | Y | U2.1.1 |  |  |
| 9 Where considered necessary complete the VAT checklist on U3. | Y | Y | U3 |  |  |
| ***Presentation and disclosure***  10 Consider whether balances relating to VAT are appropriately presented in the accounts and whether any additional disclosures are required. | ….Y | Y |  |  |  |
| ***Conclusion***  11 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on A5 or A6 as appropriate. | N/A | N/A |  | No point to be included in letter of comment. |  |

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| --- | --- | --- | --- | --- |
| **Client: XYZ Ltd** |  | **Prepared by:** | **Date:** | **Ref: U3** |
| **Year end: 31-12-14** | **File no:** | **Reviewed by:** | **Date:** |

**VAT COMPLIANCE CHECKLIST**

*Objective: To ensure that all VAT liabilities are correctly included in the accounts.*

The checklist sets out the common points to be considered when reviewing VAT — it is not exhaustive.

| **Particulars** | ***Yes/No***  ***or N/A*** | ***Comments*** |
| --- | --- | --- |
| ***1 Registration*** |  |  |
| * 1. *Unregistered company*   Confirm that taxable turnover does not exceed registration limits (currently and historically), Taka 2 million. | N/A |  |
| *1.2 Company registered as intending trader*  Does the intention to make taxable supplies continue? | N/A |  |
| *1.3 Exemption from registration*  Is trader still eligible for exemption? | No |  |
| *1.4 Group registration*  (a) Are all members of the legal group either in the VAT group or separately registered?  (b) Are all members of the VAT group eligible for membership?  (c) Are the latest and current details of group members received from Customs & Excise correct?  (d) Does a system exist to notify Customs & Excise of group or company structure changes? | Yes | Satisfactory |
| *1.5 Compulsory registration*  Are the details on the latest Certificate of Registration correct? | Yes | Satisfactory |
| ***2 Sales***  *2.1 Standard-rated sales*  (a) Confirm VAT treatment is in accordance with the VAT act and any directions from VAT administration. | Yes | Satisfactory |
| *2.2 Exports*  Is adequate evidence of exports and deemed exports are kept? | Yes | Satisfactory |
| ***3 Purchases*** |  |  |
| *3.1 ‘Routine’* |  |  |
| (a) Is input tax only claimed when evidence is received? | Yes | Satisfactory |
| (b) Are all invoices retained and accessible? | Yes | Satisfactory |
| (c) Does client check that all invoices are correctly addressed to him as the registered trader? | Yes | Satisfactory |
| (d) Are there systems to identify non-deductible inputs (including non-business input VAT)? | Yes | Satisfactory |
| ***4 Accounting records*** |  |  |
| (a) Are records properly filed, referenced and retained for four years for VAT inspections? | Yes | Satisfactory |
| (b) Do VAT records agree with the management and financial accounts available for inspection including a reconciliation of turnover? | Yes | Satisfactory |
| ***5 Groups of companies*** |  |  |
| (a) Do all companies invoicing each other within a VAT group correctly omit VAT? | Yes | Satisfactory |
| (b) Do supplies between members of the legal group (eg management charges) who are not in the VAT group carry VAT as appropriate? | Yes | Satisfactory |
| (c) Is non-deductible input tax identified and not claimed? | Yes | Satisfactory |
| ***6 General Compliances*** |  |  |
| (a) Whether the organization’s imports are exempt from registration and that exemption has been taken (All educational institution and government offices. Embassies UN and UN bodies, and other privileged institutions). | N/A |  |
| (b) Challan copy should be retained for 4 years in case of centrally registered organizations transferring goods from central godown or from one sale center to another. | Yes | Satisfactory |
| (c ) If the organization is an exempt from VAT registration is it properly enlisted with the superintendent and paid 4% as turnover tax in advance. | N/A |  |
| (d) Confirm that turnover tax enlisted Co. maintains accounts of daily buy-sale transaction in form "Mushak-17 A" and shall also preserve number wise sale cash memo including enlistment number. Further declaration of turnover challan of treasury deposit, return etc. shall have to be preserved for at least 4 years. | N/A |  |
| (e) Confirm turnover tax at 4% within 30 days of annual declaration of turnover and within 15 days of monthly declaration of turnover to be deposited to the treasury and the return together with the main copy of treasury challan is submitted to the concerned circle in form "Mushak-4". | N/A |  |
| (f) Confirm that the turnover tax is paid in advance before the commenced of tax period. | N/A |  |
| (g) Confirm VAT return was duly filed within 10th days of the following month in form "Mushak-19". | Yes | Satisfactory |
| (h) Producers of taxable goods has submitted appropriate bona fide price declaration relating to their products in form "Mushak-1". | Yes | Satisfactory |
| (i) Confirm that the Co. has claimed duty drawback within 6 months of issue of shipping bill, bill of exports for identifiable real exports and deemed exports. | Yes | Satisfactory |
| (j) Confirm that excess payment of VAT, turnover tax where applicable has been claimed for refund within 6 months of such payment in form TR31. | Yes | Satisfactory |
| (k) Confirm input tax paid by a registered person on the inputs imported on purchased by him are adjusted under certain sections of the VAT Act or Rules against output tax liability, which is called input tax rebate. | Yes | Satisfactory |
| (l) Confirm that VAT deduction at source from certain specified service providers at the specified rate has been done and deposited to treasury within the specified time. | Yes | Satisfactory |
| ***6 Penalties and assessments***  (a) Have all VAT assessments been reflected in the accounts (including penalties and interest)?  (b) Are all outstanding default surcharges reflected in the accounts? | Yes | No penalties |
| ***Conclusions*** |  |  |
| 1 I consider that assistance from a VAT specialist is not required. | Yes |  |
| 2 The client has not dealt with all material matters relating to VAT. | No |  |
| 3 The accounts do not dealt with all material VAT Liabilities | No |  |
| 1. Our review of VAT has/has not\* met our obligations under the letter of engagement | Yes |  |
| 5 Any VAT aspects which require bringing to the client’s attention have been recorded on B5 or B8. | N/A |  |

Senior/Manager \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

\* Delete if not applicable.

**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.**