**Audit Program – Advances, deposits and prepayments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Test required**  **Y/N** | **Results**  **satisfactory**  **Y/N** | **Sch**  **Ref** | **Comments** | **Initials and date** |
| 1. Agreed the opening balances to last year’s accounts. | Y | Y | ADP-1 |  |  |
| 1. Obtained and checked a lead schedule for the current year’s figures and reconcile this to the nominal ledger. | Y | Y | ADP-1 |  |  |
| 1. Examined any material journal entries or other adjustments made during the course of preparing the financial statements. | Y | Y | ADP-1 |  |  |
| 1. Obtained schedule of advances, deposits, & prepayments and traced the opening balances from the general ledger, subsidiary records, and last year working papers. Checked casting and cross casting of the schedule. | Y | Y | ADP-2 |  |  |
| 1. For disbursements made during the year checked disbursements of funds with disbursement register and bank statement. | Y | Y | ADP-2 |  |  |
| 1. For a sample of prepayments made during the year: -   (a) Ensured that amount and date of prepayment was in accordance with prepayment schedule or agreement.  (b) Checked the prepayment with the bank statement | Y | Y | ADP-2 |  |  |
| 1. Inquired about the nature of trade deposits. Corroborate movements in trade deposits with supporting documents | Y | N/A | N/A | No trade deposits |  |
| 1. Obtained age-analysis of advances, deposits & prepayments and performed the following:-   (a) Verified classification in correct categories.  (b) Current maturities of advances, deposits & prepayments has been appropriately calculated and separately disclosed.  (c) | Y | Y | ADP-2 |  |  |
| 1. Checked subsequent realizations / adjustments etc. | Y | Y | ADP-2 |  |  |
| 1. Ensured that all advances to associated undertakings are granted after due compliance with legal requirements. | N | N/A | N/A |  |  |
| 1. Ensured that none of the advances, deposits & prepayments are impaired or the recoverable amount is not less than its carrying amount. If the carrying amount is more than its recoverable amount, then same should be reduced to recoverable amount recognising the reduction as impairment loss. | Y | Y | ADP-2 |  |  |
| 1. For items stuck-up for considerable period of time, inquired about its status from the management. Compute provisions if required and ask for management representations. | Y | Y | ADP-2 |  |  |
| 1. For advances to staff, reviewed company’s policies for disbursement and recoveries there of, and ensure the same with supporting documents. Verified on a test basis deductions for recovery of advances to staff from their respective payroll register. | Y | Y | ADP-2 |  |  |
| 1. Checked agreement and legal documents to verify the terms and conditions of the advances. | Y | Y | ADP-2 |  |  |
| 1. Ensured that closing balances as per our working paper file are in match with general ledger. | Y | Y | ADP-2 |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | XYZ Limited | | **W/P Reference** | ADP-1 |
| **Prepared By** | Mr. A |  | **Date** | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  | | | |  |  |  |

|  |  |
| --- | --- |
| **Procedure Name:** | Comparison of current year and previous year balances |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **2014** | **2013** | **Variance (BDT)** | **Variance (%)** | **Link** |
| Advances, deposits and prepayments | 700,887,177 | 728,000,934 | (27,113,757) | -4% | Please see the Reference Trial Balance G and FS note-12 |

|  |  |
| --- | --- |
| **Procedures performed:** | 1. Confirmed the previous year’s balance with the audited financial statements of the previous year. 2. Obtained and checked a lead schedule for the current year’s figures and reconcile this to the nominal ledger. 3. Examined adjusting journal entries posted during the preparation of the financial statements. 4. Inquired management about large and/or unusual items and justification for such items. 5. Tested the cast of the list. 6. Obtained schedule of advances, deposits, & prepayments and trace the opening balances from the general ledger, subsidiary records, and last year working papers. Checked casting and cross casting of the schedule. |
|

|  |
| --- |
| **Result of testing** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **2014** | | |  | **2013** | |
| **As per GL** | **Adjustment** | **As per Financials** |  | **As per financials** | **Confirmed balance of 2013 from audited figure** |
| **Advances:** |  |  |  |  |  |  |
| Staff | 83,342,746 | - | 83,342,746 |  | 71,637,664 | √ |
| Suppliers, C&F agents and others | 142,303,261 | - | 142,303,261 |  | 92,925,780 | √ |
| Rent | 63,259,496 | - | 63,259,496 |  | 55,570,644 | √ |
| Bank guarantee margin | 3,580,021 | - | 3,580,021 |  | 6,368,453 | √ |
| VAT current account | 34,907,266 | - | 34,907,266 |  | 57,055,444 | √ |
| Advance for capital expenditure | 156,444,470 | - | 156,444,470 |  | 59,550,792 | √ |
| Advance income tax | 198,436,147 | - | 198,436,147 |  | 350,013,451 | √ |
|  | **682,273,407** | - | **682,273,407** |  | **693,122,228** |  |
| **Deposits:** |  |  |  |  |  |  |
| Deposits for utilities | 6,195,366 | - | 6,195,366 |  | 6,855,366 | √ |
| Tender deposits | 12,059,820 | - | 12,059,820 |  | 27,273,019 | √ |
|  | **18,255,186** | - | **18,255,186** |  | **34,128,385** |  |
| **Prepayments:** |  |  |  |  |  |  |
| Prepaid expenses | 358,584 | - | 358,584 |  | 750,321 | √ |
|  | 358,584 | - | 358,584 |  | 750,321 |  |
|  | **700,887,177** | - | **700,887,177** |  | **728,000,934** |  |

|  |  |
| --- | --- |
| **Observation:** | No large and/or usual items were noted during inquiry to management. Previous year’s balance has been brought forward and current year’s balance of nominal balance has been carried forward to the financial statements correctly. |
|

|  |  |
| --- | --- |
| **Conclusion:** | Satisfactory. |
|

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Company** | **XYZ Limited** | | **W/P Reference** | ADP-2 |
| **Prepared By** | Mr. A |  | **Date** | DD-MM-YYYY |
| **Reviewed By** | Mr. B |  | **Date** | DD-MM-YYYY |
| **Period ended** | DD-MM-YYYY |  |  | | |  |  |  |

|  |  |
| --- | --- |
| **Procedure Name:** | To ensure the occurrence, accuracy and completeness of advances, deposits and prepayments. |

|  |  |
| --- | --- |
| **Objective:** | To ensure that the year-end balances of advances, deposits and prepayments are accurate complete and properly valued |

|  |  |
| --- | --- |
| **Procedure:** | 1. Obtained schedule of advances, deposits, & prepayments and traced the opening balances from the general ledger, subsidiary records, and last year working papers. Checked casting and cross casting of the schedule. 2. For disbursements made during the year checked disbursements of funds with disbursement register and bank statement. 3. For a sample of prepayments made during the year: -  * Ensured that amount and date of prepayment was in accordance with prepayment schedule or agreement. * Checked the prepayment with bank statement  1. Obtained age-analysis of advances, deposits & prepayments and performed the following:-  * Verified classification in correct categories. * Current maturities of advances, deposits & prepayments has been appropriately calculated and separately disclosed. * Considered the value of securities available if any, for the purpose of calculation of provision for doubtful loans and advances.  1. Check subsequent realizations / adjustments etc. 2. Ensured that none of the advances, deposits & prepayments are impaired or the recoverable amount is not less than its carrying amount. If the carrying amount is more than its recoverable amount, then same should be reduced to recoverable amount recognizing the reduction as impairment loss. 3. For items stuck-up for considerable period of time, inquired about its status from the management. Compute provisions if required and ask for management representations. 4. For advances to staff, reviewed company’s policies for disbursement and recoveries thereof, and ensure the same with supporting documents. Verifies on a test basis deductions from advances to staff from their respective payroll register. 5. Checked agreement and legal documents to verify the terms and conditions of the advances. 6. Ensured that closing balances as per our working paper file are in match with general ledger. 7. Determined that disclosures have been made in accordance with the requirements the applicable IASs. |

|  |  |
| --- | --- |
| **Assertion covered:** | Occurrence, Accuracy & Completeness. |

|  |
| --- |
| **Result of testing** |

We have selected the advances to staff, suppliers, C&F agents and others, rent and advance for capital expenditure from all the advances, deposits and prepayments. All the relevant audit procedures (mentioned above have been applied to these selected items to ensure occurrence, completeness and accuracy. The workings are shown below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Loan & Advances to Staffs:** | |  |  |  |  |
| **Particulars** | **2014** | **2013** | **Variance** | | **Notes** |
| **Amount** | **Percentage (%)** |
| **Loan & Advances to Staffs** | 83,342,746 | 71,637,664 | 11,705,082 | 16% |  |

|  |  |
| --- | --- |
| **Reason of variance:** | |
|  | Loan and advance increased by 16% because of sanctioning some new car and motor cycle loans. |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Party wise breakdown of loan and advance to staffs:** | | | | | | | | |
| **ID No** | | **Sub-Ledger Details** | | | | **Advance amount** | | |
| <ID No.> | | NL-II - Advance for motorcycle | | | | 41,659,733 | | |
| <ID No.> | | NL-II - Advance Staff loan | | | | 20,709,621 | | |
| <ID No.> | | NL-II - Advance for car loan | | | | 15,700,160 | | |
| <ID No.> | | <Name of employee> | | | | 183,524 | | |
| <ID No.> | | <Name of employee> | | | | 7,000 | | |
| <ID No.> | | <Name of employee> | | | | 326,032 | | |
| <ID No.> | | <Name of employee> | | | | 92,590 | | |
| <ID No.> | | <Name of employee> | | | | 19,414 | | |
| <ID No.> | | <Name of employee> | | | | 135,065 | | |
| <ID No.> | | <Name of employee> | | | | 78,139 | | |
| <ID No.> | | <Name of employee> | | | | 149,042 | | |
| <ID No.> | | <Name of employee> | | | | 27,599 | | |
| <ID No.> | | <Name of employee> | | | | 100,229 | | |
| <ID No.> | | <Name of employee> | | | | 49,332 | | |
| <ID No.> | | <Name of employee> | | | | 49,403 | | |
| <ID No.> | | <Name of employee> | | | | 132,703 | | |
| <ID No.> | | <Name of employee> | | | | 68,740 | | |
| <ID No.> | | <Name of employee> | | | | 63,560 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 121,078 | | |
| <ID No.> | | <Name of employee> | | | | 125,532 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 125,532 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 122,108 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 120,478 | | |
| <ID No.> | | <Name of employee> | | | | 125,532 | | |
| <ID No.> | | <Name of employee> | | | | 125,532 | | |
| <ID No.> | | <Name of employee> | | | | 126,697 | | |
| <ID No.> | | <Name of employee> | | | | 100,642 | | |
| <ID No.> | | <Name of employee> | | | | 125,466 | | |
| <ID No.> | | <Name of employee> | | | | 124,357 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 124,250 | | |
| <ID No.> | | <Name of employee> | | | | 67,960 | | |
| <ID No.> | | <Name of employee> | | | | 125,116 | | |
| <ID No.> | | <Name of employee> | | | | 52,913 | | |
| <ID No.> | | <Name of employee> | | | | 79,005 | | |
| <ID No.> | | <Name of employee> | | | | 126,400 | | |
|  | | **Total** | | | | **83,342,746** | | |
|  | |  | | | |  | | |
|  | |  | | | |  | | |
| **SL No.** | **Loan Type** | | **Name of the employee** | **Dept.** | **Loan Approval** | | **Date of loan Approval** | **Amount of loan provided** | | **Monthly adjustment** | **No. of months elapsed** | **Loan adjusted up to 31 Dec 2014** | **Closing balance of loan** | **Remarks** |
| 1 | Staff laon | | <Name> | <Dept> | √ | | 8-Oct-12 | 5,000,000 | | - | - | - | 5,000,000 | 1 |
| 2 | Staff laon | | <Name> | <Dept> | √ | | 24-Jun-13 | 15,000,000 | | - | - | - | 15,000,000 | 2 |
| 3 | Car Loan | | <Name> | <Dept> | √ | | 12-Mar-14 | 2,792,570 | | 38,786 | 9 | 349,071 | 2,443,499 | 3 |
| 4 | Car Loan | | <Name> | <Dept> | √ | | 29-Mar-14 | 1,855,368 | | 25,769 | 9 | 231,921 | 1,623,447 |
| 5 | Car Loan | | <Name> | <Dept> | √ | | 24-Aug-14 | 1,766,556 | | 24,536 | 4 | 98,142 | 1,668,414 |
| 6 | Car Loan | | <Name> | <Dept> | √ | | 23-Mar-14 | 2,719,476 | | 37,771 | 9 | 339,935 | 2,379,542 |
| 7 | Motor cycle loan | | <Name> | <Dept> | √ | | 8-Jan-14 | 149,000 | | 2,069 | 12 | 24,833 | 124,167 | 4 |
| 8 | Motor cycle loan | | <Name> | <Dept> | √ | | 29-Jan-14 | 150,000 | | 2,083 | 11 | 22,917 | 127,083 |
| 9 | Motor cycle loan | | <Name> | <Dept> | √ | | 17-Jan-13 | 150,000 | | 2,083 | 23 | 47,917 | 102,083 |
| 10 | Motor cycle loan | | <Name> | <Dept> | √ | | 18-Mar-14 | 150,000 | | 2,083 | 8 | 16,667 | 133,333 |

|  |  |
| --- | --- |
| **Remarks:** | |
| 1 | The advance amount will be adjusted against his terminal benefits. |
| 2 | The advance amount will be adjusted against his bonus payment for the subsequent year. |
| 3 | All are car loan. 72 times of their transport allowance. This loan will be adjusted for 72 months. |
| 4 | All are motor cycle loan. |

5 All related documents have been checked accordingly.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Advance for C&F and others:** | |  |  |  |  |
| **Particulars** | **2014** | **2013** | **Variance** | | **Notes** |
| **Amount** | **Percentage (%)** |
| Advance for C&F and others | 142,303,261 | 92,925,780 | 49,377,481 | 53% |  |

|  |  |
| --- | --- |
| **Reason of variance:** | |
| Advance for C & F and others increased by 53% in 2014 due to the following reasons: | |
| 1 | Higher advance payment for promotional work. |
| 2 | Payment of advance insurance for 2015 amounting 29,966,755 Tk. |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **General Description** | | | **Recording description** | | | **Payment description** | | | | |
| **SL no.** | **Party name** | **Nature of advance payment** | **Voucher ref.** | **voucher date** | **Advance amount as per account** | **Mode of payment** | **Bank name** | **Cheque No.** | **Amount paid** | **Disbursement date** |
| 1 | <Party name> | <Description> | <Vouch no> | 24-Dec-14 | 29,966,755 | Cheque | <Bank> | 1456233 | 10,000,000 | 29-Dec-14 |
| 2 | <Party name> | <Description> | <Vouch no> | 30-Dec-14 |  |  | 1456403 | 19,966,755 | Not cleared |
| 3 | <Party name> | <Description> | <Vouch no> | 23-Nov-14 | 8,516,340 | Cheque | <Bank> | 1422668 | 5,062,491 | 9-Dec-14 |
| 4 | <Party name> | <Description> | <Vouch no> | 13-Nov-14 | 4,213,033 | Cheque | <Bank> | 1391138 | 4,213,033 | 16-Nov-14 |
| 5 | <Party name> | <Description> | <Vouch no> | 31-Dec-14 | 9,098,015 | Cheque | <Bank> | 1456425 | 710,000 | Not cleared |
| 6 | <Party name> | <Description> | <Vouch no> | 23-Nov-14 | Cheque | <Bank> | 1422673 | 859,000 | 25-Nov-15 |
| 7 | <Party name> | <Description> | <Vouch no> | 23-Nov-14 | Cheque | <Bank> | 1422672 | 712,000 | 25-Nov-15 |
| 8 | <Party name> | <Description> | <Vouch no> | 09-Oct-14 | 1,022,980 |  |  |  | 1,022,980 |  |
| 9 | <Party name> | <Description> | <Vouch no> | 17-Dec-14 | 1,029,615 |  |  |  | 1,029,615 |  |
| 10 | <Party name> | <Description> | <Vouch no> | 17-Dec-14 | 1,730,461 | Cheque | <Bank> | 1345622 | 1,730,461 | 23-Dec-14 |
| 11 | <Party name> | <Description> | <Vouch no> |  | 1,693,860 | Cheque | <Bank> |  | 1,693,860 |  |
| 12 | <Party name> | <Description> | <Vouch no> | 10-Dec-14 | 2,627,262 |  |  | 1412355 | 2,627,262 |  |
| 13 | <Party name> | <Description> | <Vouch no> | 22-Dec-14 | 1,237,500 |  |  | 1242278 | 1,237,500 |  |
| 14 | <Party name> | <Description> | <Vouch no> | 20-Dec-2014 | 1,665,509 |  |  |  | 1,665,509 |  |
| 15 | <Party name> | <Description> | <Vouch no> | 22-Dec-2014 | 1,796,000 | Cheque | <Bank> | 1393322 | 1,796,000 | 29-Dec-14 |
| 16 | <Party name> | <Description> | <Vouch no> | 26-Nov-2014 | 1,281,519 | Cheque | <Bank> |  | 1,281,519 | 30-Nov-14 |
| 17 | <Party name> | <Description> | <Vouch no> | 19-Nov-2014 | 18,281,133 | Cheque | <Bank> | 1226740 | 18,281,133 | 24-Nov-14 |
| 18 | <Party name> | <Description> | <Vouch no> | 12-Nov-2014 | 2,810,100 | Cheque | <Bank> |  | 2,810,100 | 14-Nov-14 |
| 19 | <Party name> | <Description> | <Vouch no> | 26-Nov-2014 | 4,825,820 | Cheque | <Bank> | 1417836 | 4,825,820 | 3-Dec-14 |
| 20 | <Party name> | <Description> | <Vouch no> | 19-Dec-14 | 3,098,900 |  |  | 1393526 | 3,098,900 |  |
| 21 | <Party name> | <Description> | <Vouch no> | 8-Dec-14 | 1,894,500 |  |  | 1432908 | 1,894,500 |  |
| 22 | <Party name> | <Description> | <Vouch no> | 25-Oct-14 | 4,166,500 | Cheque | <Bank> | 1390799 | 517,500 | 30-Oct-14 |
| 23 | <Party name> | <Description> | <Vouch no> | 21-Oct-14 | Cheque | <Bank> | 1390707 | 373,750 | 27-Oct-14 |
| 24 | <Party name> | <Description> | <Vouch no> | 3-Dec-14 | 3,000,000 | Cheque | <Bank> | 1411083 | 3,000,000 | 6-Dec-14 |
| 25 | <Party name> | <Description> | <Vouch no> | 26-Nov-14 | 1,592,000 | Cheque | <Bank> | 1246948 | 1,592,000 | 30-Nov-14 |
| 26 | <Party name> | <Description> | <Vouch no> | 11-Dec-14 | 1,379,400 | Cheque | <Bank> | 1225639 | 1,379,400 | 14-Dec-14 |
|  |  |  |  | **Total** | **106,927,202** |  |  |  | **93,381,088** |  |

|  |  |
| --- | --- |
| Total advance for C&F and others | 142,303,261 |
| Amount of advance checked | 93,381,088 |
| Percentage of amount checked | 66% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Advance for rent and others:** | |  |  |  |  |
| **Particulars** | **2014** | **2013** | **Variance** | | **Notes** |
| **Amount** | **Percentage (%)** |
| Advance for rent and others | 63,259,496 | 55,570,644 | 7,688,852 | 14% |  |

|  |  |
| --- | --- |
| **Reason of variance:** | |
|  | Advance for rent has increased due to increase of 19 new rent agreements in 2014. |

**Advance calculation for rent:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **General Description** | | | **Terms and conditions of advance** | | | | | **Advance adjustment** | | | **Closing balance of advance as per Client (F)** | **Difference (G=F-E)** |
| **Sl. No.** | **Name of the party** | **Address** | **Initial advance payment  (A)** | **Contract period** | **Tenure** | **Advance adjustable months** | **Monthly adjustment of advance  (B)** | **Number of months elapsed  (C )** | **Amount of advance elapsed (D=B\*C)** | **Closing balance of advance as per Auditor  (E=A-D)** |
| 1 | <Party Name> | <Address> | 12,708,000 | 1 June 2014 to 31 May 2017 | 3 Years | 36 | 353,000 | 7 | 2,471,000 | 10,237,000 | 16,301,783 | 14,783 |
| 2 | <Party Name> | <Address> | 6,600,000 | 16 Aug 2014 to 15 Aug 2019 | 5 Years | 60 | 110,000 | 5 | 550,000 | 6,050,000 |
| 3 | <Party Name> | <Address> | 1,650,000 | 1 Jan 2015 to 31 Dec 2016 | 2 years | 24 | 68,750 | 0 | - | 1,650,000 | 1,650,000 | **-** |
| 4 | <Party Name> | <Address> | 43,050,000 | 1 July 2012 to 30 June 2022 | 10 years | 66 | 652,273 | 30 | 19,568,182 | 23,481,818 | 23,247,250 | (234,568) |
| 5 | <Party Name> | <Address> | 1,702,812 | 10 Aug 2012 to 9 Aug 2015 | 3 Years | Last 6 months of agreement | N/A | N/A | - | 1,702,812 | 1,702,812 | - |
| 6 | <Party Name> | <Address> | 500,000 | 1 April 2013 to 31 March 2018 | 5 Years | Last 6 months of agreement | N/A | N/A | - | 500,000 | 1,573,600 | (21,400) |
| 7 | <Party Name> | <Address> | 500,000 | 1 May 2013 to 30 April 2018 | 5 Years | Last 6 months of agreement | N/A | N/A | - | 500,000 |
| 8 | <Party Name> | <Address> | 700,000 | 1 March 2014 to 28 Feb 2019 | 5 Years | 60 | 11,667 | 9 | 105,000 | 595,000 |
| 9 | <Party Name> | <Address> | 3,600,000 | 1 Nov 2014 to 31 Oct 2017 | 3 Years | 36 | 100,000 | 2 | 200,000 | 3,400,000 | 3,397,000 | (3,000) |
| 10 | <Party Name> | <Address> | 2,100,000 | 1 July 2014 to 30 June 2019 | 5 years | 60 | 35,000 | 6 | 210,000 | 1,890,000 | 1,880,000 | (10,000) |
|  |  |  |  |  |  |  |  |  | **Total** | **50,006,630** | **49,752,445** | **(254,185)** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Advance against capital expenditure** | |  |  |  |  |
| **Particulars** | **2014** | **2013** | **Variance** | | **Notes** |
| **Amount** | **Percentage (%)** |
| Advance against capital expenditure | 156,444,470 | 59,550,792 | 96,893,678 | 163% |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Substantive testing for advance against capital expenditure:** | | |  |  |  |  |  |  |  |  |  |  |  |
| **General Description** | | | | | | **Recording description** | | | **Payment description** | | | | |
| **SL no.** | **Party name** | **Name of the asset/ purpose of advance payment** | **CEP No.** | **CEP Date** | **P.O. No.** | **Voucher ref.** | **voucher date** | **Advance amount as per account** | **Mode of payment** | **Bank name** | **Cheque No.** | **Amount paid** | **Disbursement date** |
| 1 | <Party Name> | <Description> | <CEP No.> | 25-Sep-14 | <P.O. No.> | <Vouch ref> | 20-Oct-14 | 83,396,000 | Cheque | <Bank Name> | <Cheque No> | 83,396,000 | 20-Oct-14 |
| 2 | <Party Name> | <Description> | <CEP No.> | 12-Jun-14 | <P.O. No.> | <Vouch ref> | 28-Dec-14 | 1,519,000 | Cheque | <Bank Name> | <Cheque No> | 1,519,000 | 30-Dec-14 |
| 3 | <Party Name> | <Description> | <CEP No.> | 6-Nov-14 | <P.O. No.> | <Vouch ref> | 17-Nov-14 | 1,944,000 | Cheque | <Bank Name> | <Cheque No> | 1,944,000 | 23-Nov-14 |
| 4 | <Party Name> | <Description> | <CEP No.> | 12-Dec-14 | <P.O. No.> | <Vouch ref> | 23-Dec-14 | 10,000,000 | Cheque | <Bank Name> | <Cheque No> | 10,000,000 | 24-Dec-14 |
| 5 | <Party Name> | <Description> | <CEP No.> | 11-Nov-14 | <P.O. No.> | <Vouch ref> | 21-Dec-14 | 2,150,360 | Cheque | <Bank Name> | <Cheque No> | 2,150,360 | 28-Dec-14 |
| 6 | <Party Name> | <Description> | <CEP No.> | 10-Jun-14 | <P.O. No.> | <Vouch ref> | 16-Jun-14 | 10,000,000 | Cheque | <Bank Name> | <Cheque No> | 10,000,000 | 17-Jun-14 |
| 7 | <Party Name> | <Description> | <CEP No.> | 24-Jun-14 | <P.O. No.> | <Vouch ref> | 26-Jun-14 | 2,000,000 | Cheque | <Bank Name> | <Cheque No> | 2,000,000 | 3-Jul-14 |
| 8 | <Party Name> | <Description> | <CEP No.> | 24-Jun-14 | <P.O. No.> | <Vouch ref> | 28-Dec-14 | 2,000,000 | Cheque | <Bank Name> | <Cheque No> | 2,000,000 |  |
|  |  |  |  |  | **Total** |  |  | **113,009,360** |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Total advance for capital expenditure | | | 156,444,470 |
| Amount of advance checked | |  | 113,009,360 |
| Percentage of amount checked | |  | 72% |
|  |  |  |  |
| **Documents checked:** | |  |  |
|  | Capital Expenditure Proposal (CEP) | |  |
|  | Purchase order |  |  |
|  | Payment voucher |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Advanced Income Tax:** |  |  |  |
| **Particulars** | | **2014** | **2013** |
|
| **Balance at 1 January** |  | 350,013,451 | 150,489,441 |
| Add: Paid during the year |  | 280,723,692 | 199,524,010 |
| Add: Adjustment for amalgamation |  | 3,794,523 | - |
| Less: Adjustment during the year |  | (436,095,519) | - |
| **Balance at 31 December** |  | **198,436,147** | **350,013,451** |

**Breakdown of AIT paid during the year:**

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Particulars** | **Total** |
| a) | Tax deducted at source - Import | 144,268,830 |
| b) | Tax deducted at source - Local | 25,881,761 |
| c) | Advance tax as per section - 64 | 67,500,000 |
| d) | Tax paid after assessment | 4,613,805 |
| e) | Tax as per section - 74 | 23,670,808 |
| f) | Export Tax | 1,001,438 |
| g) | Dividend | 12,033,053 |
| h) | Car Tax | 1,754,000 |
|  | **Total** | **280,723,695** |

**Vouching: Tax deducted at source - Import**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Voucher No** | **Voucher Date** | **Description** | **Voucher Amount** | **Invoice No** | **Invoice Date** | **Port Assessment Date** | **Amount in custom clearance** | **Bank Name** |
| <Vouch No> | 4/30/2014 | <Description> | 5,420,654 | <Invoice No> | <Invoice date> | <Date> | 5,420,654 | <Bank> |
| <Vouch No> | 1/31/2014 | <Description> | 5,016,749 | <Invoice No> | <Invoice date> | <Date> | 5,016,749 | <Bank> |
| <Vouch No> | 2/28/2014 | <Description> | 5,192,746 | <Invoice No> | <Invoice date> | <Date> | 5,192,746 | <Bank> |
| <Vouch No> | 3/31/2014 | <Description> | 5,294,242 | <Invoice No> | <Invoice date> | <Date> | 5,294,242 | <Bank> |
| <Vouch No> | 4/27/2014 | <Description> | 5,228,918 | <Invoice No> | <Invoice date> | <Date> | 5,228,918 | <Bank> |
| <Vouch No> | 4/28/2014 | <Description> | 5,034,642 | <Invoice No> | <Invoice date> | <Date> | 5,034,642 | <Bank> |
| <Vouch No> | 5/26/2014 | <Description> | 5,455,350 | <Invoice No> | <Invoice date> | <Date> | 5,455,350 | <Bank> |
| <Vouch No> | 6/30/2014 | <Description> | 5,675,570 | <Invoice No> | <Invoice date> | <Date> | 5,675,570 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 5,455,879 | <Invoice No> | <Invoice date> | <Date> | 5,455,879 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 5,081,972 | <Invoice No> | <Invoice date> | <Date> | 5,081,972 | <Bank> |
| <Vouch No> | 10/31/2014 | <Description> | 5,742,812 | <Invoice No> | <Invoice date> | <Date> | 5,742,812 | <Bank> |
| <Vouch No> | 11/12/2014 | <Description> | 6,107,349 | <Invoice No> | <Invoice date> | <Date> | 6,107,349 | <Bank> |
| <Vouch No> | 11/28/2014 | <Description> | 6,617,809 | <Invoice No> | <Invoice date> | <Date> | 6,617,809 | <Bank> |
| <Vouch No> | 12/14/2014 | <Description> | 6,611,194 | <Invoice No> | <Invoice date> | <Date> | 6,611,194 | <Bank> |
| <Vouch No> | 12/18/2014 | <Description> | 7,509,304 | <Invoice No> | <Invoice date> | <Date> | 7,509,304 | <Bank> |
| <Vouch No> | 12/22/2014 | <Description> | 7,381,972 | <Invoice No> | <Invoice date> | <Date> | 7,381,972 | <Bank> |
| <Vouch No> | 12/27/2014 | <Description> | 7,110,430 | <Invoice No> | <Invoice date> | <Date> | 7,110,430 | <Bank> |
| Total |  |  | **99,937,592** |  |  |  |  |  |

|  |  |  |
| --- | --- | --- |
| Tax deducted at source - Import |  | 157,092,548.00 |
| Tax deducted at source - Import Vouched |  | 99,937,592.00 |
| Amount Vouched (%) |  | 64% |

**Vouching: Tax deducted at source - Local**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Voucher No** | **Voucher Date** | **Description** | **Voucher Amount** | **Bank Name** |
| <Vouch No> | 4/30/2014 | <Description> | 833,463 | <Bank> |
| <Vouch No> | 1/31/2014 | <Description> | 843,735 | <Bank> |
| <Vouch No> | 2/28/2014 | <Description> | 674,346 | <Bank> |
| <Vouch No> | 2/28/2014 | <Description> | 966,524 | <Bank> |
| <Vouch No> | 2/28/2014 | <Description> | 755,153 | <Bank> |
| <Vouch No> | 3/31/2014 | <Description> | 939,183 | <Bank> |
| <Vouch No> | 4/27/2014 | <Description> | 955,809 | <Bank> |
| <Vouch No> | 4/28/2014 | <Description> | 850,278 | <Bank> |
| <Vouch No> | 4/28/2014 | <Description> | 841,964 | <Bank> |
| <Vouch No> | 4/28/2014 | <Description> | 889,256 | <Bank> |
| <Vouch No> | 5/26/2014 | <Description> | 758,020 | <Bank> |
| <Vouch No> | 6/30/2014 | <Description> | 818,880 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 963,466 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 734,231 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 786,399 | <Bank> |
| <Vouch No> | 7/31/2014 | <Description> | 883,221 | <Bank> |
| <Vouch No> | 10/31/2014 | <Description> | 918,366 | <Bank> |
| <Vouch No> | 11/12/2014 | <Description> | 694,181 | <Bank> |
| <Vouch No> | 11/12/2014 | <Description> | 693,906 | <Bank> |
| <Vouch No> | 11/12/2014 | <Description> | 946,586 | <Bank> |
| <Vouch No> | 11/12/2014 | <Description> | 598,915 | <Bank> |
| <Vouch No> | 11/28/2014 | <Description> | 913,372 | <Bank> |
| <Vouch No> | 12/14/2014 | <Description> | 647,394 | <Bank> |
| <Vouch No> | 12/14/2014 | <Description> | 778,321 | <Bank> |
| <Vouch No> | 12/14/2014 | <Description> | 770,370 | <Bank> |
| <Vouch No> | 12/14/2014 | <Description> | 773,660 | <Bank> |
| <Vouch No> | 12/18/2014 | <Description> | 720,889 | <Bank> |
| <Vouch No> | 12/22/2014 | <Description> | 838,536 | <Bank> |
| <Vouch No> | 12/27/2014 | <Description> | 841,814 | <Bank> |
| Total |  |  | **23,630,238** |  |

|  |  |  |
| --- | --- | --- |
| Tax deducted at source - Import |  | 25,881,761 |
| Tax deducted at source - Import Vouched |  | 23,630,238 |
| Amount Vouched (%) |  | 91% |

**Vouching: Advance tax as per section – 64**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Voucher No** | **Voucher Date** | **Description** | **Voucher Amount** | **Bank Name** |
| <Vouch No> | 4/10/2014 | <Description> | 16,875,000 | <Bank> |
| <Vouch No> | 7/12/2014 | <Description> | 16,875,000 | <Bank> |
| <Vouch No> | 10/7/2014 | <Description> | 16,875,000 | <Bank> |
| <Vouch No> | 12/28/2014 | <Description> | 16,875,000 | <Bank> |
| Total |  |  | **67,500,000** |  |

|  |  |
| --- | --- |
| Tax deducted at source - Import | 67,500,000 |
| Tax deducted at source - Import Vouched | 67,500,000 |
| Amount Vouched (%) | 100% |

**Vouching: Adjustment during the year**

|  |  |  |  |
| --- | --- | --- | --- |
| **SL No** | **Year** |  | **Amount** |
| 1 | 2012 |  | (222,914,851) |
| 2 | 2013 |  | (213,180,668) |
|  | **Total** |  | **(436,095,519)** |

BDT 436m shown above was adjusted as tax assessments for the year 2012 and 2013 were final. We have checked the tax assessments.

**Vouching: Deposit for utilities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Voucher No** | **Description** | **Voucher Amount** | **Year of deposit** |
| Titas Gas Company Ltd | <Description> | 1,875,000 | 2009 |
| Bangladesh Power Development board | <Description> | 1,605,875 | 2009 |
| Security Deposit for T & T Line | <Description> | 380,000 | 2009 |
| Security deposit against rent | <Description> | 1,850,000 | 2010 |
| Total |  | **5,710,875** |  |

**Checking the subsequent position:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Voucher No** | **As per FD** | **Subsequent adjustments** | **Supporting documents checked** |
| Staff | **83,342,746** | 875,775 | Salary sheet for the month of January and February |
| Suppliers ,C & F and others | **142,303,261** | 10,456,950 | Adjusting journal entry for no (JV 000011 to JV 000108) |
| Rent | **63,259,496** | 520,000 |  |
| Bank Guarantee margin | **3,580,021** | 257,850 |  |
| VAT current Account | **34,907,266** |  |  |
| Advance against Capital expenditure | **156,444,470** | 60,853,654 | Adjusting journal entry for no (JV CEP 1005 to JV CEP1008) |
| Advance income tax |  |  |  |
| Pre-payments |  |  |  |
|  |  |  |  |
| Total |  | **5,710,875** |  |

**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.**