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| **Company** | XYZ Limited | | **W/P Reference** | | **I-2.1** | |
| **Prepared By** | Mr. C |  | **Date** | | DD/MM/YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD/MM/YYYY | |
| **Period ended** | 31-Dec-2014 |  |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  | | --- | --- | | **Procedure Name:** | Comparison of current year and previous year balances, reconciliation with nominal ledger and justification of unusual journal entries. |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Particulars** | **2014** | **2013** | **Variance (BDT)** | **Variance (%)** | **Link with** | | Inventories | 2,961,175,971 | 2,553,330,342 | 407,845,629 | 16% | Referenced TB I and Notes to the FS 10 |  |  |  | | --- | --- | | **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. | |  |  | | --- | | **Result of testing** |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Particulars** | **2014** | | |  | **2013** | | | | **As per GL** | **Adjustment** | **As per Financials** |  | **As per financials** | **Confirmed balance of 2013 from audited figure** | **As per Financials** | |  |  |  |  |  |  |  |  | | Raw materials | 724,011,984 | - | 724,011,984 |  | 502,928,357 | **√** | 502,928,357 | | Packing materials | 241,697,100 | - | 241,697,100 |  | 169,566,009 | **√** | 169,566,009 | | Work in process | 82,684,794 | - | 82,684,794 |  | 56,750,090 | **√** | 56,750,090 | | Finished goods | 1,951,960,246 | - | 1,951,960,246 |  | 1,774,219,427 | **√** | 1,774,219,427 | | Goods in transit | 115,235,985 | - | 115,235,985 |  | 198,109,813 | **√** | 198,109,813 | | Other inventories | 26,850,950 | - | 26,850,950 |  | 30,789,189 | **√** | 30,789,189 | | Allowance for slow-moving inventory | (181,265,088) | - | (181,265,088) |  | (179,032,543) | **√** | (179,032,543) | |  | **2,961,175,971** | **-** | **2,961,175,971** |  | **2,553,330,342** |  | **2,553,330,342** |  |  |  | | --- | --- | | **Observation:** | No exception noted. | |  |  |  | | --- | --- | | **Conclusion:** | 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. | |   **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.** |  |  |  |  |  |  |  |