**Audit program – Other payables**

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| **Particulars** | **Test required**  **Y/N** | **Results**  **satisfactory**  **Y/N** | **Sch**  **Ref** | **Comments** | **Initials and date** |
| **General** |  |  |  |  |  |
| 1. Agreed the opening balances to last year’s accounts. | Y | Y | OP-1 |  |  |
| 1. Obtained and checked a lead schedule for the current year’s figures and reconcile this to the nominal ledger. | Y | Y | OP-1 |  |  |
| 1. Examined any material journal entries or other adjustments made during the course of preparing the financial statements. | Y | Y | OP-1 |  |  |
| 1. Carried out analytical procedures such as: 2. Obtained details of other payables for the current year; 3. Developed expectation based on the previous year’s result; 4. Compared with the same for the previous year; 5. investigated with the management for the unusual variation found compared to expectation. | Y | Y | OP-8 |  |  |
| 1. Reviewed the planned extent of reliance on internal controls in this area and consider whether this remains appropriate. | Y | Y | C5.1 |  |  |
| 1. Assessed whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Recorded 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. | N | N/A | N/A |  |  |
| 1. Reviewed for large and/or unusual items and verified. | Y | Y | OP-6 |  |  |
| **Existence** |  |  |  |  |  |
| 1. Obtained a list of other payable balances. Agreed the list to the control account. Obtained explanations for all material adjustments to the control account. | N | N/A | N/A |  |  |
| 1. Tested the casts of the list. | Y | Y | OP-1 |  |  |
| **Completeness** |  |  |  |  |  |
| 1. Listed all debit balances over Tk\_\_\_\_\_\_\_ and obtained explanations. Ensured they are correctly treated in the accounts. | N | N/A | N/A |  |  |
| 1. Performed a circularization: 2. selected a sample of accounts from a completed list of balances for example an activity report (include nil and debit balances where applicable). Recorded the details on the standard working paper; 3. confirmed with client the the payable balances we wish to circularize; 4. obtained explanations where the client does want to circularize particular balances and consider alternative procedures that can be applied; 5. considered whether the refusal to allow circularization of particular balances will impose a limitation of scope on the audit? 6. sent the confirmation requests. Enclosed a prepaid envelope for return to the firm. Ensured the reply part of the letter is properly referenced; 7. recorded replies on the control sheet; 8. where replies are not received within a reasonable period sent a follow-up letter; 9. followed the alternative procedures for any unfavourable responses or where no response is obtained, and 10. summarised the results and considered whether adequate audit comfort has been obtained for trade creditors. | N | N/A | N/A |  |  |
| 1. Where a circularization is not carried out, or the results are unsatisfactory, tested payable balances for completeness as follows: 2. obtained the year end other payables listing; 3. compared to prior year to identify obvious omissions; 4. reviewed after-date payments. Ensured those paying off pre-year end items are included in creditors, and 5. extended the scope of (j) above if statements are not retained for all suppliers. | Y | Y | OP-2 |  |  |
| 1. Reconciled between sub-ledger balances and GL balance of other payables. | Y | Y | OP-3 |  |  |
| 1. Reviewed invoices in the new period to ensure all material amounts have been provided for. | Y | Y | OP-4 |  |  |
| **Cut-off** |  |  |  |  |  |
| 1. To ensure cut-off: 2. Checked thetransactions on random sample basis occurred/accrued prior to the year-end and ensured that the transactions are recorded in the current period. 3. Checked the transactions on random sample basis occurred/accrued just after the year-end and ensured that the transactions are not recorded in the current period. | Y | Y | OP-4 |  |  |
|  | N | N/A | N/A |  |  |
| **Hire purchase & leasing** |  |  |  |  |  |
| 1. Obtained details of all hire purchase and finance leases: 2. examined new agreements and ensure that the treatment in the accounts is correct; 3. ensured that only capital balances are carried forward, and 4. ensured that amounts carried forward are correctly classified as due within and without one year. | N | N/A | N/A |  |  |
| 1. Confirmed that any operating lease incentives have been accounted for correctly. | N | N/A | N/A |  |  |
| 1. Had any sale and lease back transactions in the period been identified and properly accounted for as an operating or finance lease as appropriate? | N | N/A | N/A |  |  |
| **Accruals** |  |  |  |  |  |
| 1. Reviewed accruals for completeness comparing to last year’s list, and expectations. | N | N/A | N/A |  |  |
| **Taxes** |  |  |  |  |  |
| 1. Checkedappropriate deductions for taxes. | Y | Y | OP-2 |  |  |
| **Provisions** |  |  |  |  |  |
| 1. Reviewed provisions:   (a) ensured basis of calculation is acceptable and consistent;  (b) checked the calculation of material items. | N | N/A | N/A |  |  |
| **Other creditors** |  |  |  |  |  |
| 1. Vouched any material other creditors to supporting documentation. | Y | Y | OP-4  OP-7 |  |  |
| 1. Checked whether an unpaid suppliers’ invoice/accrual that indicates a liability as of the reporting date has been recorded in the books. |  |  | OP-7 |  |  |
| **Presentation and disclosure** |  |  |  |  |  |
| 1. Confirmed that a disclosure checklist will be completed for this year. Where that is not the case explained how the objectives relating to disclosure will be achieved. | Y | Y | OP-5 |  |  |
| 1. Ensuredthat there is evidence on the file to support all the disclosures made. | Y | Y | OP-5 |  |  |
| **Bespoke tests** |  |  |  |  |  |
| 1. Drafted any necessary additional tests such as those required by C6.3 and cross reference with the objectives on the summary sheet. | N | N/A | N/A |  |  |
| **Conclusion** |  |  |  |  |  |
| 1. Considered 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 | N/A | N/A |  |  |
| **Meeting with client management** |  |  |  |  |  |
| 1. Inquire into any significant disputed balances and investigate disputed balances as necessary. 2. Determine that the following balances, if any, are properly classified:   (a) Debit balances in payables.  (b) Non-current or non-trade payables.   1. Review the year-end accounts payable trial balance to determine whether significant debits are included in the account balance. For material debit balances that are included in the year-end balance consider whether reclassification is appropriate. 2. Payables to related parties. 3. Purchase commitments. 4. Examine any material journal entries or other adjustments made during the course of preparing the financial statements. | Y | Y | OP-6 |  |  |

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

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

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| **Particulars** | **2014** | **2013** | **Variance (BDT)** | **Variance (%)** |  |
| Trade and other payables | 1,124,527,430 | 1,020,668,516 | 103,858,914 | 10.17% | Referenced trial balance L and notes to the FS 22 |

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| **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. |
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| **Result of testing** |

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| **Particulars** | **2014** | | |  | **2013** | | **Note** |
| **As per GL** | **Adjustment** | **As per Financials** |  | **As per financials** | **Confirmed balance of 2013 from audited figure** |
| Accruals | 397,491,322 | - | 397,491,322 |  | 352,647,614 | √ |  |
| Advance from customers | 17,264,384 | - | 17,264,384 |  | 9,889,425 | √ |  |
| Security money received from customers | 191,209,253 | - | 191,209,253 |  | 205,395,300 | √ |  |
| Workers' profit participant fund | 286,291,804 | (58,000) | 286,233,804 |  | 231,680,915 | √ | Note-1 |
| Unclaimed dividend | 52,429,105 | - | 52,429,105 |  | 44,771,201 | √ |  |
| Tax and VAT deducted at source | 16,740,378 | - | 16,740,378 |  | 21,596,912 | √ |  |
| Employees welfare fund | 128,675,434 | - | 128,675,434 |  | 122,826,050 | √ |  |
| Rights share deposit to be refunded | 563,723 | - | 563,723 |  | 563,723 | √ |  |
| Family day fund | 4,020,643 | - | 4,020,643 |  | 4,107,269 | √ |  |
| Non-management staff provident fund | 2,642,111 | - | 2,642,111 |  | 2,734,630 | √ |  |
| Unclaimed refund warrant - Zero Coupon Bonds | 3,647,450 | - | 3,647,450 |  | 3,647,450 | √ |  |
| Payable for redemption of Zero Coupon Bonds | 15,464,555 | - | 15,464,555 |  | 13,810,873 | √ |  |
| Management staff provident fund | 6,680,254 | - | 6,680,254 |  | 3,892,749 | √ |  |
| Lase advertisement and promotional fund | 310,595 | - | 310,595 |  | 3,104,405 | √ |  |
| Electronics advertisement and promotional fund | 1,154,419 | - | 1,154,419 |  | - | √ |  |
|  | **1,124,585,430** | **(58,000)** | **1,124,527,430** |  | **1,020,668,516** |  |  |

Note – 1: Adjustment in workers’ profit participation fund was due to changes in profit during the audit.

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

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| **Procedure Name:** | Checking subsequent payment of other payable balances. |

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| **Objective:** | To ensure that the year-end balances of other payable were subsequently cleared fully or partially. |

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| **Procedure:** | 1. Obtained party-wise break up of other payable as at 31 December 2014. 2. Made a selection of payables’ balances based on high value. 3. Obtained invoice wise break up of selected balances. 4. Checked subsequent payment of selected invoices to the creditors. 5. Inquired management into significant disputed balances, if any. 6. Checked appropriate deductions for taxes. 7. Agreed tax and VAT liabilities as at 31 December 2014. |

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| **Assertion covered:** | Existence, Accuracy |

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| **Sampling technique:** | High value of entire population of the other payable |

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| **Result of testing** |

**Subsequent movement checking of other payable:**

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| **General Description** | | | |  | | | **Document Checked** | |
| **Sl No** | **Code of the payables** | **Name of the party** | **Balance as of year-end** | **Payment till <Subsequent cut-off date>** | **TDS** | **Balance as of <subsequent cut-off date>** | **Bank Statement/ Bank recon. And cheque foil paper** | **Vendor’s Money Receipt** |
| 1 | <Code> | <Name> | <Amount> | <Amount> | √ | <Amount> | **√** | **√** |
| <Amount> | √ |
| <Amount> | √ |
| 2 | <Code> | <Name> | <Amount> | <Amount> | √ | - | **√** | **√** |
| <Amount> | √ |
| 3 | <Code> | <Name> | <Amount> | <Amount> | √ | <Amount> | **√** | **√** |
| 4 | <Code> | <Name> | <Amount> | <Amount> | √ | - | **√** | **√** |
| 5 | <Code> | <Name> | <Amount> | <Amount> | √ | - | **√** | **√** |
| 6 | <Code> | <Name> | <Amount> | <Amount> | √ | - | **√** | **√** |
| 7 | <Code> | <Name> | <Amount> | - |  | <Amount> | N/A | N/A |
| 8 | <Code> | <Name> | <Amount> | - |  | <Amount> | N/A | N/A |

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| **Observation:** | No observation was noted. |

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| **Conclusion** | Satisfactory. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | | OP-3 |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY |
| **Period ended** | DD-MM-YYYY |  | |  | | |  |  |  |

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| **Procedure Name:** | Reconciliation between sub-ledger balances and GL balance of other payables. |

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| **Objective:** | To check the completeness of GL balances of other payablesas at the year-end. |

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| **Procedure Details:** | 1. Obtained schedule of nature wisesub-ledger balances. 2. Obtained GLs of other payables for the entire year. 3. Cross-matched the total of sub-ledger balances with the amount of other payable GL. 4. Inquired and justified the difference between sub-ledger balances and GL balance, if any. |

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| **Assertions covered:** | Accuracy |

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| **Sampling technique:** | Entire population |

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| **Result of testing** |

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| **Sub-ledger** | | | **GL** | | | **Difference** | **Remarks** |
| **Sub-ledger code** | **Party name** | **Balance as at closing date** | **GL code** | **GL description** | **Balance as at closing date** |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | **-** | Satisfactory |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | <Taka> | Reconciled |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | - | Satisfactory |
| <Code> | <Name> | <Taka> |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | - | Satisfactory |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | - | Satisfactory |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | - | Satisfactory |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | - | Satisfactory |
| <Code> | <Name> | <Taka> | <Code> | <Name> | <Taka> | <Taka> | Reconciled |
| **Total** | | **<Taka>** | **Total** | | **<Taka>** |  |  |

**Reconciled:**

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| --- | --- | --- | --- | --- | --- |
| **Sub-ledger code** | **Supplier name** | **Sub-ledger balance**  **A** | **Forex revaluation**  **B** | **Manual payment**  **C** | **Nominal GL balance–**  **payable**  **D=A+B-C** |
| <Code> | <Name> | <Taka> | <Taka> | <Taka> | <Taka> |
| <Code> | <Name> | <Taka> | <Taka> | <Taka> | <Taka> |

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| **Conclusion** | Difference is immaterial and reconciliation is satisfactory. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | OP-4 |
| **Prepared By** | Mr. A |  | **Date** | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  |  | | | |  |  |  |

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| **Procedure Name:** | Cut-off test of other payables. |

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| **Objective:** | To assure the completeness and accuracy of recording other payables in the reporting period. |

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| **Procedure details:** | 1. Made a selection of transactions occurred/accrued prior to year-end.  2. Checked whether other payables were recorded in the correct accounting period. |

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| **Assertions:** | Completeness, Accuracy. |

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| **Sampling technique:** | Obtained the transactions on random sample basis occurred/accrued prior to the year-end and just after the year-end. |

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| **Results of testing** |

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| **SL. No.** | **Transactions recorded on** | **Transaction details** | **Cutoff date** | **Documents support the date to be recorded** | **Recorded in the correct period (Y/N)** | **Remarks** |
| 1 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 2 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 3 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 4 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 5 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 6 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 7 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 8 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 9 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 10 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 11 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 12 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 13 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 14 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 15 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 16 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 17 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 18 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 19 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 20 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 21 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 22 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 23 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 24 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 25 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 26 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 27 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 28 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 29 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 30 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 31 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 32 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 33 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 34 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 35 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 36 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 37 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 38 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 39 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 40 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 41 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 42 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 43 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 44 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 45 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 46 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 47 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 48 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 49 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 50 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 51 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 52 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 53 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 54 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 55 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 56 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 57 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 58 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 59 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 60 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |
| 61 | DD-MM-YYYY | <Description> | 31 December 2014 | DD-MM-YYYY | Y | Satisfactory |

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| **Observation:** | No observation was noted. |
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| **Conclusion** | Satisfactory. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | | OP-5 |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  | |  | | | |  |  |  |

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| **Procedure Name:** | Testing of presentation and disclosure |

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| **Objective:** | To check whether the matters to be disclosed relating to other payables according to applicable reporting and legal framework (i.e. IFRS, Companies Act 1994 and Securities and Exchange Rule 1987). |

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| **Procedure details:** | 1. Prepared a checklist of items to be disclosed according to IAS 37 and Companies Act 1994. 2. Checked whether the items to be disclosed relating to other payables have been disclosed properly. |

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| **Assertions covered:** | Presentation and disclosure |

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| **Sampling technique:** | Entire population. |

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| **Working on disclosure** |

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| **SL No.** | **Disclosure requirement** | **Required by** | **Disclosed in financial statements?** | **Reference from financial statements** | **Remarks** |
| 1 | Sundry creditors for goods | Companies Act 1994 | √ | Note-22, 23 | Satisfactory |
| 2 | Sundry creditors forservices | √ | Satisfactory |
| **3** | Payable against unclaimed dividend | √ | Satisfactory |
| 4 | Finance expense accrued and due | N/A | Satisfactory |
| 5 | Finance expense accrued but not due | N/A | Satisfactory |
| 6 | Other liabilities, if any | √ | Satisfactory |
| 7 | Provision for provident fund scheme | Not applicable | Satisfactory |
| 8 | Provision for insurance, pension and similar staff benefit | √ | Satisfactory |
| 9 | Other Provisions | Not applicable | Satisfactory |
| 10 | Provision fortaxation | √ |  |
| 11 | Provisions for claims against the company not acknowledged as debts | √ | Note-33 | Satisfactory |
| 12 | Provisions for uncalled liabilities on share partly paid | N/A | N/A | Satisfactory |
| 13 | Provisions for arrears of fixed cumulative dividend | N/A | N/A | Satisfactory |
| 14 | Provision for proposed dividend | √ | Note-37 | Satisfactory |
| 15 | Provision for contingencies | √ | Note-33 | Satisfactory |
| 16 | Estimated amount of contracts remaining to be executed on capital account | √ | Note-34 | Satisfactory |
| 17 | Other amount for which the company is contingently liable | Securitites&Exchange Rules 1987, Schedule 1 | √ | Note-33 | Satisfactory |
| 18 | Others   * Deposits * Creditors * Accrued expenses * Bills payable * Interest accrued on secured loans * Interest accrued on secured loans * Unclaimed dividend, if any * Unpaid dividend, if any * Proposed dividend, if any * Other provisions, if any | √ | Note-22, 23 | Satisfactory |

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| **Observation:** | No observation was noted. |

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| **Conclusion** | Satisfactory. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | | OP-6 |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  | |  | | | |  |  |  |

**Meeting with Client Management**

**Meeting Minutes**

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| **Name of Interviewee(s):** | Mr. H, *Head of procurement and payables* |

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| **Name of Interviewer(s):** | Mr. B (Audit Engagement In-charge)  Mr. A (Audit Assistant) |

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| **Date and time of Interview:** | DD-MM-YYYY |
| **Venue:** | Client Corporate Office |

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| **SL** | **Auditor’s inquiry** | **Client response** |
| 1 | Inquire into any significant disputed balances and investigate disputed balances as necessary. | Since the balances confirmed by selected vendors were matched with that as reported by the client, no further investigation was required. Also, client management ensured that they sent balance confirmation request to majority of the vendors who have higher balances with X Limited and the vendors confirmed them accordingly. Other vendors outside the balance confirmation coverage held immaterial balances. |
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| 2 | Determine that the following balances, if any, are properly classified:  (a) Debit balances in payables.  (b) Non-current or non-trade payables. | Debit balances are basically adjustments and/or different rebates and discounts. These are very minimal compared to the total amount of payables and hence reclassification would not be required. |
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| 3 | Review the year-end accounts payable trial balance to determine whether significant debits are included in the account balance. For material debit balances that are included in the year-end balance consider whether reclassification is appropriate. | Debit balances are basically adjustments and/or different rebates and discounts. These are very minimal compared to the total amount of payables and hence reclassification would not be required. |
| 4 | Payables to related parties | Yes, there were balances to related parties as payable. However, these have been disclosed in the financial statements as separate note. |
| 5 | Purchase commitments. | Purchase commitments include the purchase orders that are open as at the year-end. Schedule and the total balance of open Pos will be provided to the auditor while they will be conducting audit procedures. Note has been disclosed in the financial statements in this regard. |
| 6 | Examine any material journal entries or other adjustments made during the course of preparing the financial statements. | There was no material adjustments made during the course of preparing the financial statements. As per Company policy, for any material adjustment, management assessment note along with board approval has to be prepared and documented. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | | OP-7 |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  | |  | | | |  |  |  |

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| **Procedure Name:** | Testing of unrecorded liabilities |

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| **Objective:** | To check whether an unpaid suppliers’ invoice/accrual that indicates a liability as of the reporting date has been recorded in the books. |

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| **Procedure details:** | 1. Inquired different teams and departments of management about major events and matters that took place during the year and might indicate liabilities. 2. Obtained schedule of events/transactions with details and estimated stage of completion as of the period-end. 3. Obtained schedule of purchase invoice from different departments and inquired reporting team about accounting entry. 4. Checked whether the journal entry has been posted within the period ended on reporting date and whether the liability amount has been included in the balance as reported in the financial statements. |

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| **Assertions covered:** | Completeness, Accuracy |

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| **Sampling technique:** | 30 samples was selected randomly |

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| **Working on unrecorded liabilities** |

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| **SL No.** | **Particulars** | **Reporting in the financials** | | **Journal entry date** | **Amount** | **Any exception found?** | **Remarks** |
| **Should be recorded?** | **Actually recorded?** |
| 1 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 2 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 3 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 4 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 5 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 6 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 7 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 8 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 9 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 10 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 11 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 12 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 13 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 14 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 15 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 16 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 17 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 18 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 19 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 20 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 21 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 22 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 23 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 24 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 25 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 26 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 27 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 28 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 29 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |
| 30 | <Product/Service details> | √ | √ | <Date> | <Taka> | × | Satisfactory |

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| **Observation:** | No observation was noted. |

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| **Conclusion** | Satisfactory. |

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| **Company** | **XYZ Limited** | | **W/P Reference** | | OP-8 |
| **Prepared By** | Mr. A |  | **Date** | | DD-MM-YYYY | |
| **Reviewed By** | Mr. B |  | **Date** | | DD-MM-YYYY | |
| **Period ended** | DD-MM-YYYY |  | |  | | | |  |  |  |

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| **Procedure Name:** | Reviewing other payables for completeness comparing to last year’s list, and expectations. |

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| **Objective:** | To check whether other payables recorded in the financials in line with activities done for the year ended 31 December 2014 compared to the previous year. |

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| **Procedure details:** | 1. Obtained details of other payables for the current year ended 31 December 2014. 2. Developed expectation based on the previous year’s result. 3. Compared with the same for the previous year ended 31 December 2013. 4. Investigated with the management for the unusual variation found compared to expectation. |

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| **Assertions covered:** | Completeness, Accuracy |

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| **Sampling technique:** | Entire population. |

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| **Working on reviewing other payables** |

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| **Particulars** | **2014** |  | **2013** |  | **Difference** | | | **Note** |
| **As per Financials** |  | **As per financials** |  | **In amount** |  | **In %** |
| Accruals | 397,491,322 |  | 352,647,614 |  | 44,843,708 |  | 13% | Note 1 |
| Advance from customers | 17,264,384 |  | 9,889,425 |  | 7,374,959 |  | 75% |  |
| Security money received from customers | 191,209,253 |  | 205,395,300 |  | (14,186,047) |  | -7% |  |
| Workers' profit participant fund | 286,233,804 |  | 231,680,915 |  | 54,552,889 |  | 24% | Note 2 |
| Unclaimed dividend | 52,429,105 |  | 44,771,201 |  | 7,657,904 |  | 17% |  |
| Tax and VAT deducted at source | 16,740,378 |  | 21,596,912 |  | (4,856,534) |  | -22% |  |
| Employees welfare fund | 128,675,434 |  | 122,826,050 |  | 5,849,384 |  | 5% |  |
| Rights share deposit to be refunded | 563,723 |  | 563,723 |  | - |  | 0% |  |
| Family day fund | 4,020,643 |  | 4,107,269 |  | (86,626) |  | -2% |  |
| Non-management staff provident fund | 2,642,111 |  | 2,734,630 |  | (92,519) |  | -3% |  |
| Unclaimed refund warrant - Zero Coupon Bonds | 3,647,450 |  | 3,647,450 |  | - |  | 0% |  |
| Payable for redemption of Zero Coupon Bonds | 15,464,555 |  | 13,810,873 |  | 1,653,682 |  | 12% |  |
| Management staff provident fund | 6,680,254 |  | 3,892,749 |  | 2,787,505 |  | 72% |  |
| Lase advertisement and promotional fund | 310,595 |  | 3,104,405 |  | (2,793,810) |  | -90% |  |
| Electronics advertisement and promotional fund | 1,154,419 |  | - |  | 1,154,419 |  | 100% |  |
|  | **1,124,527,430** |  | **1,020,668,516** |  | **103,858,914** |  | **10%** |  |

**Note 1: Accruals has been increased by BDT 45m (31 December 2014: 397m Vs. 31 December 2013: 352m)**

Accruals has been increased mainly due to increase in accrual for goods received and accrual for promotional activities. Accrual for goods received has increased by BDT 24m due to increase in goods received in current year in line with increase in sales compared to previous year. Moreover accrual for promotional activities increased by BDT 19m in this year due to strategic decision to drive more promotional campaigns to increase sales.

**Note 2: WPPF has been increased by BDT 55m (31 December 2014: 286m Vs. 31 December 2013: 231m)**

Liability for WPPF has been increased by BDT 13m in the current year compared to previous year in line with increased in profit before tax (Profit before tax: 2014: 1,271m Vs. 2013: 1,014m). Moreover, this liability has further been increased due to accumulation of interest on the fund.

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| **Observation:** | No unusual variation is found. |

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| **Conclusion** | Satisfactory. |

**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.**