

Internship Report

on

“Statutory Audit Practice in Malek Siddiqui Wali Chartered Accountants.”

Submitted by:

Mirza Ifthakhar. Ahmed

ID: BBA2302029009

Program: Bachelor of Business Administration (BBA)

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree

of

Bachelor of Business Administration



Sonargaon University
(SU)147/1GreenRoad,Panthopath,Dha

Date of Submission: January 3, 2026

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Supervised by:

Prof. Md Al Amin Molla

Professor & Dean Faculty of Business

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Date of Submission: January 3, 2026

Letter of Transmittal

January 3, 2026

Prof. Md Al Amin Molla

Professor & Dean Faculty of Business

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Subject: Submission of Intern Report Titled “**Statutory Audit Practice in Malek Siddiqui Wali Chartered Accountants.**”

Dear Sir,

I am here by submitting my Internship paper entitled “**Statutory Audit Practice in Malek Siddiqui Wali Chartered Accountants**” which was assigned to me as a requirement for the completion of the BBA Program. I have discovered this paper very interesting, beneficial, and insightful. The entire report is based on my practical experience in **Malek Siddiqui Wali Chartered Accountants**. I expect this paper to be informative as well as comprehensive. This internship paper will help me a lot in my future career life.

Thank you very much for your guidance and cooperation during the course without which this internship paper cannot be completed. Moreover, if you have any further inquiries concerning any Additional information, I would be very pleased to clarify that.

Yours Sincerely

Mirza Ifthakhar. Ahmed

ID: BBA2302029009

Program: Bachelor of Business Administration (BBA)

Major: Accounting

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Sonargaon University (SU)

Declaration of Student

This is to notify you that, the Internship paper on “**Statutory Audit Practice in Malek Siddiqui Wali Chartered Accountants**” has been prepared as a part of my dissertation formalities. It is an obligatory part of my **BBA** program to submit an internship paper.

Moreover, I was inspired and instructed by **Prof. Md Al Amin Molla**, Professor & Dean Faculty of Business, Department of Business Administration, Sonargaon University (SU). I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

Mirza Ifthakhar. Ahmed

ID: BBA2302029009

Program: Bachelor of Business Administration (BBA)

Major: Accounting

Department of Business Administration

Sonargaon University (SU)

Letter of Authorization

This is to certify that the internship report “**Statutory Audit Practice in Malek Siddiqui Wali Chartered Accountants**” has been prepared as a part of completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by **Mirza Ifthakhar. Ahmed**, bearing **ID: BBA2302029009** under my Supervision . The report or the information will not be used for any other purposes.

Prof. Md Al Amin Molla

Professor & Dean Faculty of Business

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Acknowledgment

In the beginning, I would like to convey my sincere appreciation to the Almighty Allah for giving Me the strength and ability to finish the task. I want to thank my academic supervisor **Prof. Md Al Amin Molla** , Professor & Dean Faculty of Business, Department of Business Administration, Sonargaon University (SU), for providing me with all the necessary help for the completion of this report. I want to give the greatest thanks to him for guiding me as an advisor to start and complete this report successfully.

The opportunity I had with **Malek Siddiqui Wali Chartered Accountants** is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

I would like to express my deep sense of thankfulness to **Md. Jahangir Alam, FCCA, Director, & Fazle Rabbi Pathan, ACCA, Manager** of **Malek Siddiqui Wali Chartered Accountants** for his enormous help and endless support throughout the dissertation period. And last but not the least; thanks to all my office colleagues working **Malek Siddiqui Wali Chartered Accountants**. The opportunity I had with **Malek Siddiqui Wali Chartered Accountants**. is a great chance for deep learning and professional development. I consider myself a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this period.

Executive Summary

Established in 1965, Malek Siddiqui Wali (MSW) is a premier Chartered Accountancy firm in Bangladesh that reached its landmark 60th anniversary in 2025. With six decades of professional excellence, the firm has transitioned from a traditional single-dimensional audit practice into a comprehensive financial consultancy, maintaining a strategic international partnership with Reddy Siddiqui, Chartered Accountants (UK) since 2001. This global association allows MSW to deliver world-class assurance and advisory services tailored specifically to the regulatory landscape of Bangladesh, catering to a diverse clientele across the banking, insurance, and manufacturing sectors.

The firm's extensive service portfolio is built on a foundation of rigorous audit and assurance, encompassing statutory, forensic, and corporate governance audits that ensure financial transparency and investor confidence. Beyond traditional accounting, MSW provides critical support in business valuations, financial due diligence, and regulatory compliance, particularly regarding RJSC filings, Board of Investment approvals, and the evolving requirements of the Finance Ordinance 2025. Their expertise extends to operational advisory, helping organizations navigate complex licensing processes such as IRC and ERC, which are essential for sustainable growth in a competitive international market.

Under the leadership of a distinguished panel of partners, including Md. Waliullah (FCA), Swadesh Ranjan Saha (FCA), Mohammed Shariful Islam (FCA), and Anjan Mallik (FCA), MSW is recognized for its commitment to integrity and technical precision. By blending deep-rooted local experience with modern digital accounting practices, the firm continues to serve as a vital strategic partner for both domestic enterprises and international investors. The firm remains a trusted advisor to major corporate entities, having recently provided audit and assurance services for companies like Baraka Patenga Power Limited and GSP Finance.

In 2025, MSW remains dedicated to its mission of providing data-driven insights and robust compliance frameworks that safeguard the financial health and future-readiness of its clients. Through active participation in professional forums and a focus on emerging tax and VAT regulations, the firm ensures its partners and clients are equipped to handle the complexities of the modern global economy. As a respected member of the Institute of Chartered Accountants of Bangladesh (ICAB), Malek Siddiqui Wali stands as a testament to the enduring value of professional ethics and strategic financial leadership.

List of Acronyms

ICAB–The Institute of Chartered Accountants of Bangladesh

ACCA–Association of Chartered Certified Accountants

FCA– Fellow Chartered Accountant

FCCA– Fellow Certified Chartered Accountant

IAS–International Accounting Standard

IFRS–International Financial Reporting Standards

ISA–International Standard for Audit

ISQM- International Standard on Quality Management

IAASB– International Auditing and Assurance Standards Board

RJSC- Register of Joint Stock Companies and Firms

TOC- Test of Control

AP– Audit Programme

KAM– Key Audit Matter

FRC- Financial Reporting Council

DSE- Dhaka Stock Exchange

SEC- Security Exchange Commission

PIE– Public Interest Entity

VAT- Value Added Tax

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Chapter One: Introduction

1.1 Introduction

Chartered Accountancy (CA) firms in Bangladesh serve as the cornerstone of the nation's financial infrastructure, providing the essential oversight and expertise required to maintain corporate transparency and economic stability. These firms operate under the regulatory authority of the Institute of Chartered Accountants Bangladesh (ICAB), which was established in 1973 to ensure that professional standards align with rigorous international benchmarks. By performing statutory audits, managing complex taxation issues, and offering strategic management consultancy, CA firms enable businesses to comply with the Companies Act 1991 and International Financial Reporting Standards (IFRS). Beyond their role as service providers, these firms function as vital educational hubs, offering the "Articleship" training necessary for the next generation of financial leaders to earn their professional designations.

The scope of these firms has expanded significantly in 2025, moving beyond traditional bookkeeping into specialized fields such as forensic accounting, cyber security audits, and Environmental, Social, and Governance (ESG) reporting. This evolution is driven by the increasing complexity of the Bangladeshi economy and the demand for high-level advisory services that can compete on a global scale. Major firms with international affiliations, such as Rahman Rahman Huq (KPMG) and ACNABIN (Baker Tilly), alongside historic local practices like A. Qasem & Co., lead the industry in implementing these sophisticated service models. These organizations are no longer just auditors; they are strategic partners that assist both local conglomerates and multinational corporations in navigating the intricacies of the National Board of Revenue (NBR) regulations and international trade laws.

As of late 2025, the landscape of the accounting profession is characterized by a significant shift toward digital integration and enhanced public trust. The industry has placed a heightened emphasis on transparency through the widespread adoption of the Document Verification System (DVS), a digital tool designed to eliminate unauthorized audit reports and bolster investor confidence. Despite facing challenges such as a shortage of qualified chartered accountants relative to the growing market demand, the sector continues to modernize through AI-driven auditing tools and cloud-based compliance tracking. In this era of rapid economic growth, CA firms remain indispensable in safeguarding the financial integrity of Bangladesh's public and private sectors, ensuring the nation remains an attractive destination for foreign direct investment.

1.2 Scope of the Work

The primary objective of this external audit is to provide an independent, professional opinion on whether the financial statements of the organization for the 2025 fiscal year present a "true and fair" view in accordance with the **International Financial Reporting Standards (IFRS)**. This engagement will be conducted in strict compliance and the regulatory requirements mandated by the **Financial Reporting Council (FRC)** and the **Institute of Chartered Accountants of Bangladesh (ICAB)**. The scope includes a comprehensive review of all material financial records, ensuring adherence to the **Companies Act, 1994**, and, where applicable, the **Bank Company Act, 1991** or the **Financial Institutions Act, 1993**.

The audit process begins with a rigorous planning and risk assessment phase tailored to the specific regulatory landscape of Bangladesh. This involves evaluating the entity's internal control environment to identify potential risks of material misstatement, including specialized assessments for 2025 such as cyber security risks and financial sustainability. A critical component of the 2025 audit procedure is the mandatory use of the **Document Verification System (DVS)**, an ICAB-led initiative integrated with the FRC to verify the authenticity of audited financial statements and prevent the use of multiple sets of books.

During the fieldwork phase, the auditor will perform substantive testing, including the verification of assets, liabilities, and equity through physical inspections and third-party confirmations. For entities in the banking sector, procedures will align with the "**Bank Company External Auditor Rules 2024**," which require auditors to test at least 80% of total risk-based assets, prioritizing high-risk branches. The scope also extends to verifying compliance with national tax and VAT regulations, ensuring that all provisions are adequate as per the latest 2025 government rules.

The engagement concludes with the issuance of an **Independent Auditor's Report** that features a standardized description of auditor responsibilities, including a dedicated section on the entity's "going concern" status and, for listed entities, **Key Audit Matters (KAM)**. Along with the formal opinion, the auditor will provide a Management Letter detailing any significant internal control weaknesses and actionable recommendations to enhance corporate governance and financial transparency for the subsequent year.

1.3 Objectives of the study:

The study aims to evaluate the overall audit practicing system in an audit firm situated in Bangladesh. The objective of this study is divided into two categories.

Principal objective:

- To examine and evaluate the audit practices followed by the audit firm **Malek Siddique Wali, Chartered Accountants** in conducting statutory audit engagements.

Secondary objectives:

- Gain a clear understanding of how audit activities are carried out in an audit firm in practice.
- Examine the audit planning and risk assessment procedures followed by the firm
- Observe how internal control systems are reviewed during audit engagements.
- Assess whether the audit practices of the firm comply with International Standards on Auditing (ISA) and relevant laws of Bangladesh.
- Identify practical challenges faced by auditors while performing audit work.
- Understand the role of professional judgment and auditor independence in audit practice.
- Provide practical recommendations to improve audit practice and overall audit quality.

1.4 Methodology of the Study

This study has been conducted using a descriptive and analytical approach in order to understand the audit practices followed by the audit firm **Malek Siddique Wali**. The methodology is designed to reflect practical learning gained from audit work and to analyze how audit procedures are applied in real situations.

Nature of the Study

The study is mainly descriptive in nature, as it focuses on observing and explaining audit practices followed in an audit firm. Analytical elements are also used to evaluate the effectiveness of these practices and identify challenges faced during audit engagements.

Sources of Data

a) Primary Data:

Primary data have been collected through practical involvement in audit activities during the internship period. This includes observation of audit planning, fieldwork, audit documentation, and discussions with audit seniors and managers.

b) Secondary Data:

- ❖ Secondary data have been collected from various published and unpublished sources, including:
- ❖ International Standards on Auditing (ISA)
- ❖ Companies Act, 1994
- ❖ Guidelines and publications of the Institute of Chartered Accountants of Bangladesh (ICAB)
- ❖ Audit textbooks, journals, and relevant research articles

Method of Data Collection

Data were collected through direct observation, review of audit working papers, informal interviews with audit personnel, and analysis of relevant documents related to audit practice.

Method of Analysis

The collected data were analyzed qualitatively by comparing practical audit practices with theoretical concepts and auditing standards. Logical interpretation was used to identify gaps between theory and practice and to draw meaningful conclusions.

Limitations in Methodology :

- The study is primarily based on practical observation and internship experience.
- The research focuses on a single audit firm, which may limit generalization of the findings.
- Access to detailed audit working papers was restricted due to confidentiality requirements.
- Limited time during the internship period prevented in-depth observation of all audit stages.

1.5 Limitations of the study

Although the study has been conducted carefully, it has certain limitations that should be acknowledged.

Dependence on Practical Observation:

The findings of the study are mainly based on practical observation and experience gained during the internship period, which may limit the scope of in-depth analysis.

Single Audit Firm Focus:

The study focuses on audit practices followed by a single audit firm, **Malek Siddique Wali, Chartered Accountants**. Therefore, the results may not fully represent the audit practices of all audit firms in Bangladesh.

Confidentiality Constraints:

Due to confidentiality requirements, access to sensitive audit information and detailed working papers was restricted, which limited the level of disclosure in the study.

Time Constraints:

Time constraints during the internship period also limited the opportunity to observe all stages of audit engagements in detail.

Qualitative Nature of the Study:

In addition, the study primarily uses qualitative analysis, which may involve personal judgment and interpretation and may not provide quantitative measurement of audit performance.

Despite these limitations, the study provides a practical understanding of audit practices in an audit firm and offers useful insights into real-life audit work.

Chapter Two: Literature Review

2.1 Literature Review

Audit practice refers to the professional processes and procedures an audit firm follows to plan, perform, document, and report an audit engagement. In an audit firm, audit practice typically includes client acceptance, audit planning, risk assessment, testing of controls and substantive procedures, forming an audit opinion, and maintaining proper documentation in line with professional standards. **International Standards on Auditing (ISA)** provide the required framework for how audit work should be designed and performed to obtain sufficient and appropriate audit evidence.

Statutory Audit Framework in Bangladesh

In Bangladesh, statutory audit is a legal requirement for companies registered under the Companies Act, 1994. The law requires appointment of auditors and sets expectations around the auditor's report and its presentation to shareholders. This legal requirement establishes the demand for professional audit services and makes the role of audit firms important in ensuring reliable financial reporting and protecting stakeholder interests.

Adoption of International Standards on Auditing (ISA)

Professional audit practice in Bangladesh is influenced by the adoption and publication of ISA and related pronouncements by the **Institute of Chartered Accountants of Bangladesh (ICAB)**. This adoption supports consistency in audit approaches across firms and encourages alignment with internationally recognized auditing requirements. Audit firms are expected to follow ISA-based engagement procedures and ethical requirements in performing statutory audits.

Audit Quality and Its Key Determinants

Audit quality is often discussed in the literature as the degree to which audit work is performed in accordance with standards and whether the audit opinion is supported by sufficient appropriate evidence. Prior studies commonly link audit quality with factors such as auditor competence, independence, professional commitment, and the ability to apply professional judgment during audit engagements. A Bangladesh-focused BBA research work also highlights competence and independence as important influences on audit quality, with time budget pressure acting as a relevant factor in practice.

Time Budget Pressure and Practical Challenges in Audit Practice

A recurring theme in audit literature is that audit teams often work under strict deadlines, which can create time budget pressure. Research suggests that time pressure can influence audit behavior and may affect the depth of audit procedures, review quality, and documentation—ultimately impacting audit quality if not properly managed. Studies in management and audit research discuss how time pressure and firm culture can relate to audit quality outcomes.

Quality Control and Quality Management in Audit Firms

Audit practice in a firm is not limited to audit testing; it also includes quality control/quality management systems that ensure engagements are performed consistently and meet professional requirements. Globally, **ISQM 1 (which replaced ISQC 1)** emphasizes a risk-based approach to firm-level quality management, including leadership responsibilities, ethical requirements, engagement performance, resources, information and communication, monitoring, and remediation. **ICAB** has also discussed **ISQM 1** adoption readiness and related quality management considerations in Bangladesh, highlighting the importance of structured quality systems within audit firms.

Chapter Three: Overview of the Audit Firm

3.1 About The Audit Firm

The firm after 33 years walks as Audit firm based on single dimensional approach started working as partnership firm of accountants based on multidimensional activity since 1998 in response to serve the growing and diversified needs of services in the line of auditing and accounts verification, analysis, performance analysis, performance analysis fund use and over all activity management performance of projects implemented by agencies likewise Banks, Insurance, Industry and RMG sector engaged in punters development into a full-fledged and multifaceted service providing and catering agency for the clients and customers in the aforementioned area.

The firm originally was established in 1965 in the name of M. A. Malek & Co. and in 1981 it was merged with Siddiqui Wali & Co. Subsequently it was renamed as M. A. Malek Siddiqui Wali & Co. Finally in 29 June 2010 the firm renamed as “Malek Siddiqui Wali, Chartered Accountants”. In 1st January 2001 Reddy Suddiqui, Chartered Accountants, London, UK was appointed Malek Siddiqui iWali as associate firm in Bangladesh. The Firm already provided a lot of praise worthy and valued consultancy and professional services for many governmental & non-governmental and private & public sector and earned a well reputation as a dynamic, qualitative professional service-providing agency. Over the years Malek Siddiqui Wali have provided so far many varied nature of services in many fields.

THE AUDIT FIRM DETAILS

Name of Firm : **MALEK SIDDIQUI WALI,
Chartered Accountants**

Address of Firm : 9-G (2nd FLOOR) MOTIJHEEL C/A
DHAKA-1000, BANGLADESH.

Contact Nos. : Phone:+88029513471, PABX:9576128, 9576118-9
Mobile: 880 1711 684821, Fax: +88029516236
Email:wali@satcombd.com
Website: msw-bd.com.

Years Establishment : **53 Years**

ESTABLISHMENT DATE OF THE FIRM

Malek Siddiqui Wali June 2010 (Renamed)
M.A. Malek Siddiqui Wali & Co November 1998(converted into partnership)
M.A. Malek & Co July 1965

NAME OF FOREIGN ASSOCIATED AUDIT FIRM

REDDY SIDDIQUI &KABANI

Chartered Accountants

PARK VIEW 183 – 189 THE VALE, LONDON, W3 7RW

ENLISTED GOVERNMENT ORGANISATIONS:

We are the Enlisted Auditors of the following Govt. Organizations:

1. NGO Affairs Bureau : Serial No. 65
2. Bangladesh Bank : Serial No. 26 Grad – A
3. Micro-Credit Regulatory Authority : Serial No. 60
4. Bangladesh Securities Exchange Commission: Serial No. 27
5. Palli Karma Sahayak Foundation(PKSF) : Serial No. 28

3.2 Vision:

The vision of **Malek Siddiqui Wali, Chartered Accountants** is to provide high-quality audit and assurance services by maintaining professional integrity, independence, and compliance with internationally recognized auditing standards. The firm aims to contribute to transparency, accountability, and reliability in financial reporting while supporting clients in meeting statutory and regulatory requirements. Through continuous professional development and ethical practice, the firm seeks to build long-term trust with stakeholders and strengthen the auditing profession in Bangladesh.

3.3 Mission

- ❖ To provide independent, objective, and high-quality statutory audit services in compliance with International Standards on Auditing (ISA) and applicable laws of Bangladesh.
- ❖ To enhance the credibility and reliability of financial statements for stakeholders through professional and ethical audit practices.
- ❖ To maintain auditor independence, integrity, and confidentiality in all audit engagements.
- ❖ To apply sound professional judgment and systematic audit procedures to ensure audit quality.
- ❖ To support transparency, accountability, and good corporate governance in the business environment.
- ❖ To continuously improve audit practices through professional training, quality control, and adherence to regulatory requirements.
- ❖ To deliver timely and value-added audit services that meet client and regulatory expectations.

3.4 Partners & Directors of the Audit Firm:

Managing Partner	Senior Partner	Audit Partner
MR. MD. WALIULLAH, FCA ICAB Enroll. No: 247	MR. SWADESH RANJAN SAHA, FCA ICAB Enroll. No: 718	MR. ANJAN MALLIK, FCA CAB Enroll. No: 1099
Audit Partner	Director	Director
MOHAMMED SHARIFUL ISLAM, FCA ICAB Enroll. No: 1125	JAHANGIR ALAM, FCCA	MR. PRANABESH ROY, FCCA

3.5 Organizational Structure of the Audit Firm:

The audit firm follows a well-defined organizational structure to ensure effective supervision, audit quality, and compliance with professional standards. The structure is designed to support the firm's core activity, which is the performance of statutory audits, while maintaining independence and accountability. At the top of the organizational hierarchy is the Managing Partner, who is responsible for overall leadership, strategic decisions, and regulatory compliance of the firm. Below the Managing Partner are the Senior Partners and Audit Partners, who are responsible for approving audit engagements, reviewing significant audit matters, and issuing audit opinions. Directors and Audit Managers oversee audit planning, risk assessment, and supervision of audit teams. Assistant Audit Managers and Audit Associates are responsible for executing audit programs, supervising fieldwork, and ensuring proper documentation. Audit Associates and Audit Trainees perform detailed audit procedures such as vouching, verification, and preparation of audit working papers under supervision

In addition to the Statutory Audit Department, the firm has several supporting departments, including Quality Control & Review, Risk Management & Compliance, Tax & Advisory, Human Resources & Administration, and IT & Audit Support. These departments assist the audit function by ensuring compliance with auditing standards, maintaining ethical requirements, managing audit risks, providing technical support, and handling administrative activities. This structured organizational framework enables the audit firm to deliver high-quality audit services efficiently and professionally. Organizational structure as follows:



Quality Control & Review Department	Risk Management & Compliance Department	Tax & Advisory Department	HR & Admin Department	IT & Audit Support Department
↓	↓	↓		
Quality Control Partner	Risk & Compliance Partner	Tax Partner		
↓	↓	↓	↓	↓
Quality Review Manager	Compliance Manager	Tax manager	HR & Admin Manager	IT Manager

↓	↓	↓	↓	↓
Audit Quality Assistant Manager	Compliance Assistant Manager	Tax Assistant manager	Assistant manager Admin	IT Assistant Manager
↓	↓	↓	↓	↓
Audit Quality Associates	Compliance Associates	Tax Associates	Admin Staffs	IT Support Staffs

3.6 Services

Malek Siddiqui Wali, Chartered Accountants provides a wide range of services in Bangladesh and Jointly with other countries audit firm. The list of services provided is listed below

- ❖ Conducting mandatory audits of financial statements in accordance with the Companies Act, 1994 and International Standards on Auditing (ISA).
- ❖ External Audit of Financial Statements
- ❖ Independent examination of financial records to express an audit opinion on the true and fair view of financial statements.
- ❖ Internal Audit Services
- ❖ Evaluation of internal control systems, risk management processes, and operational efficiency of organizations.
- ❖ Tax Audit and Tax Compliance Services
- ❖ Assisting clients with corporate tax audits, VAT compliance, tax return review, and compliance with tax laws.
- ❖ Accounting and Financial Reporting Services
- ❖ Risk Management and Compliance Services
- ❖ Assessment of regulatory compliance, identification of audit risks, and implementation of risk mitigation measures.

- ❖ Advisory and Consulting Services
- ❖ Providing professional advice on internal controls, financial systems, business processes, and corporate governance.
- ❖ Due Diligence and Special Audit Services
- ❖ Conducting special purpose audits, forensic reviews, and due diligence for mergers, acquisitions, or investments.
- ❖ Corporate and Regulatory Compliance Services
- ❖ Assisting with compliance requirements under company law, regulatory filings, and statutory reporting.
- ❖ IT Audit and Systems Review Services
- ❖ Evaluation of information systems, data security controls, and technology-related risks.

3.7 Clients of the Audit Firm:

Malek Siddiqui Wali Chartered Accountants provides a wide range of services to various types of client such as DSE Listed Public Companies, Non Listed Public Companies or PIE (Public Interest Entity), Private Companies, Banks , Non Bank Financial Organization & Insurance Companies, Mutual Funds, Ministry of Health and Family Planning , Ministry of Education, Ministry of Local Governance Support Project (LGSP)BPDB (Bangladesh Power Development Board), Wasa, PBS (Palli Bidyut Samiti), & Corporations.

List of DSE Listed Companies:

Serial No:	Name of The Listed Companies	RJSC Registration Number	Industry category (e.g. Bank, Insurance, Textile, Engineering etc.)
1	Malek Spinning Mills Ltd.	C-19018	Textile
2	Rahim Textile Mills Ltd.	C-9702	Textile
3	Savar Refractories Ltd.	C-10169	Miscellaneous
4	BD Autocars Ltd.	C-7204	Engineering
5	Pharma Aids Limited	C-8645	Pharmaceutical
6	AppolloIspat Complex Limited	C-27547	Engineering
7	Reliance Insurance Ltd.	C-40290	General Insurance

8	Shyampur Sugar Mills Ltd.	C-3434	Food & Allied
9	FAS Finance and Investment Limited	C-32457	Financial Institution
10	The IBN SINA Pharmaceuticals Industries Ltd.	C-11424	Pharmaceutical
11	aamra Technology Ltd.	C-19428	Information Technology
12	Baraka Patenga Power limited	C-93385	Fuel & Power
13	Phoenix finance & investments ltd	C-28221	Financial Institution
14	Nahee Aluminum Composite Panel Ltd.	C-87718	Engineering
15	Republic Insurance Company Ltd.	C-40290	General Insurance

List of Banks:

1.5.1 Rajshahi Krishi Unnayan Bank.

1.5.2 NCC Bank.

1.5.3 Mutual Trust Bank.

List of Non Bank Financial Organization & Insurance Companies:

1. Social Investment (Islamic) Bank Limited
2. Phoenix Finance & Investments Limited
3. Bangladesh Industrial Finance Company Limited
4. Reliance Insurance Ltd
5. Grameen Capital Management Limited
6. Grameen Capital Management Limited
7. Federal Insurance Company Limited
8. Pioneer Insurance Company Limited
9. Express Insurance Company Limited
10. Republic Insurance Limited
11. Sonar bangla insurance Company Limited.
12. GSP Finance & Investment Limited.

List of Mutual Funds:

1. Rupali First Mutual Fund.
2. ICB Asset Management Company Limited
3. Prime Finance First Unit fund
4. ICB AMCL Islamic Mutual Fund
5. ICB AMCL Islamic Unit Fund
6. ICB AMCL First Unit Fund
7. Prime Financial First Mutual Fund
8. ICB AMCL Islamic Unit Fund
9. ICB AMCL Converted 1st Mutual Fund
10. ICB AMCL Pension Holders Unit Fund
11. ICB AMCL Unit Fund
12. Peninsola AMCL BDBL Unit Fund One
13. First ICB Mutual Fund
14. IDLC Growth Fund
15. ATC Shaariah Unit Fund
16. Asian Tiger Sandhani Life Growth Fund
17. CAPM BDBL Mutual Fund-01
18. IDLC Balanced Fund
19. CAPM BDBL Mutual Fund-01
20. Peninsola AMCL BDBL Unit Fund One
21. CAPM BDBL Mutual Fund-01

List of (PIE) Public Interest Entity:

Serial No:	Name of the <i>specialized clients</i>	RJSC Registration Number (If applicable)	Client category (e.g. Non-listed Bank, Insurance, Financial Institution, state owned companies, corporations, NGOs etc.)
1	Bangladesh Power Development Board (Project	N/A	Project
2	Rural Electrification Board (PBS):		
3	Dhaka Palli Bidyut Samity-3	N/A	PBS (PIE*)
4	Pabna Palli Bidyut Samity-2	N/A	PBS (PIE*)
5	Bangladesh Homeopathic Board	N/A	Corporation (PIE*)
6	Apex Yarn Dyeing Industries Ltd.	C-35414	Private (PIE*)
7	Apex Textile & Printing Mills Ltd.	C-21983	Private (PIE*)
8	International Medical College & Hospital	N/A	Educational Institute
9	Prime Finance First Unit Fund	-	Mutual fund (PIE*)
10	Vanguard AML BD Finance Mutual Fund One	-	Mutual fund (PIE*)
11	Vanguard AML Growth Fund	N/A	Mutual fund (PIE*)
12	IDLC Growth Fund	N/A	Mutual fund (PIE*)
13	Rupali Life Insurance First Mutual Fund	N/A	Mutual fund (PIE*)
14	Vanguard AML Rupali Bank Balanced Fund	N/A	Mutual fund (PIE*)
15	Graduate women international	N/A	NGO
16	Calvary Apostolic Church	N/A	NGO
17	Dristi Unnayan Sangstha	N/A	NGO
18	Azizur Rahman Homeopathic Medical	N.A	Educational Institutions
19	HURDCO Ltd.	N/A	Educational Institutions
20	Adarsha Homoeopathic Medical College & Hospital		Educational Institutions
21	Tanjim Homeopathic Medical College	N.A	Educational Institutions

22	Bangladesh Garments Manufacturer Association	N.A	Other
23	Bangladesh Finished Leather & Leather Goods Exporters Association	T0-2007	Other
24	Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association Ltd.	C-15015	Other
25	Bangladesh Terry Towel & Linen Manufacturers Association Ltd.	C-19/1991	Other
26	Lions Club of Dhaka Dist. 315A	N.A	Other
27	Rotary Club of Dhaka	N.A	Other
28	Special Olympic Bangladesh	N.A	Other
29	Bangladesh Retire Police Officers Welfare Association	N.A	Other
30	Assurance Almarjan Apartment Owners Association	N.A	Other
31	Malaysian Palm Oil Council	N.A	Other
32	Association of Banker Bangladesh	C-32758	Other
33	Bangladesh Chemical Society	S-1108	Other
34	Bangladesh Foreign Exchange Dealers Association	C-413(18)	Other
35	Primary Dealers Bangladesh Ltd	C-73699	Other
36	FAS Capital Management Limited	C-87541	Financial Institutions
37	Grameen Capital Management Ltd.	C-34738	Financial Institutions
38	Shanta First Income Unit Fund	N/A	Mutual fund (PIE*)
39	Special Olympics (Christmas Records Trust Grant Project)		Project (NGO)
40	Special Olympics (Unified Sports And Coaches Training For The Athletes)	N/A	Project (NGO)
41	Special Olympics (Young Athlete Project)		Project (NGO)
42	Special Olympics (Healthy Community Project)		Project (NGO)
43	Special Olympics Bangladesh (Developmental Sports Attendee Equipment Stipend)		Project (NGO)
44	ICB AMCL Unit Fund	N/A	Mutual fund (PIE*)
45	ICB AMCL Pension Holders Unit Fund	N/A	Mutual fund (PIE*)

46	Bangladesh fund	N/A	Mutual fund (PIE*)
47	ICB AMCL Islamic Unit Fund	N/A	Mutual fund (PIE*)
48	ICB AMCL Converted First Unit Fund	N/A	Mutual fund (PIE*)
49	Constellation unit fund	N/A	Mutual fund (PIE*)
50	IDLC income fund	N/A	Mutual fund (PIE*)
51	Sreenagar Muhius Sunna Islamia Mahila Madrasa	N/A	Educational institutions
52	Al madrasatul islamia darul ulum lohajuri	N/A	Educational institutions
53	Sadekpur Nuria Madrasha	N/A	Educational institutions
54	Jamia Subhaniya Mahdudnagar	N/A	Educational institutions

List of Non-Listed Companies:

Serial No:	Name of the <i>non-listed clients</i>	RJSC/ Other Registration Number	Client category (<i>Public, Private & Others.</i>)
1	Assurance Asset Management Ltd.	C-105360	Private
2	Nowpara Jute Mills Ltd.	C-2803	Public
3	Shamsher Jute Mills	C-7338	Public
4	Apex Lingerie Ltd.	C-35773	Private
5	Jalalabad Flour Mills Ltd.	C-4887	Private
6	Spring Garden Ltd	C-28074	Private
7	Mohsin Tea Holding Company Ltd	C-31837	Private
8	Healthy Choice Foods & Beverage Ltd	C-138543	Private
9	Apex Yeast & Energy Ltd.	C-72445	Private
10	Apex Solar Energy Ltd.	C-81149	Private
11	Apex Starch & Sugar Ltd.	C-81154	Private
12	Apex Convenience Foods Ltd.	C-61380	Private
13	Alumina (Pvt) Ltd.	C-19308	Private
14	Al-Haj A Karim Cold Storage Ltd.	C-9093	Private
15	Globe Textile Mills Ltd.	C-16075	Private
16	Graphics Information System Ltd.	C-12944	Private
17	GerbanFibres Ltd.	C-58101	Private
18	H & H Leather Industry Ltd.	C-9245	Private
19	H. B. Tannery Ltd.	C-5224	Private

20	M. Habib Oil Mills (BD) Limited	C-1415 E.P	Private
21	Newasia Synthetics Limited	C-76294	Private
22	Apex Fashion Wear Ltd.	C-35772	Private
23	Apex Organic Soya Ind Ltd.	C-104272	Private
24	Hedayetullah Securities Ltd.	C-33373	Private
25	H.N. Shoe Ltd.	C-21583	Private
26	H.N. Cotton Product Industry Ltd.	C-53255	Private
27	Knit Asia Ltd.	C-37255	Private
28	Matex Bangladesh Ltd.	C-26414	Private
29	Majumder Enterprise Ltd.	C-36424	Private
30	Mishu Carpets Ltd.	C-20825	Private
31	National Fans Ltd.	C-7526	Private
32	National Poultry Industry Ltd.	C-20550	Private
33	New Asia Ltd.	C-4185	Private
34	Ibrahim Securities Ltd.	C-62218	Private
35	Quantum Foundation Ltd.	C-51704	Private
36	Radio Thirty Three Point Two Ltd.	C-80035	Private
37	Sarder Fish Processing Ltd.	C-14774	Private
38	Shapla Cold Storage Ltd.	C-32924	Private
39	Shapla Talkies Ltd.	4-R4920	Private
40	Shamolima Ltd.	C-10943	Private
41	Alpha Equity Ltd.	C-29985	Private
42	Salek Textile Ltd.	C-68304	Private
43	Tropical Homes Ltd.	C-30581	Private
44	Titash Fisheries & Poultry Ltd.	C-22706	Private
45	Udayan Press Ltd.	C-5022	Private
46	MST Logistics Ltd.	C-116522	Private
47	MST Marine Ltd.	C-69810	Private
48	Osman Iterating Ltd.	C-42611	Private
49	Advance Shipping Ltd.	C-113995	Private
50	Concorde Garments Ltd.	C-8755	Private
51	Project Five- O- Bangladesh	N.A	Private
52	Apex Bio Fertilizers Bio Pesticides Ltd.	C-67156	Private
53	Teekmarks Shipping Ltd.	C-62616	Private
54	One Shipping Ltd.	C-107155	Private

55	Deya Shipping Ltd.	C-61127	Private
56	Shatabdi Shipping Ltd.	C-61944	Private
57	Amader Marine Co Ltd.	C-38229	Private
58	Mtb Marine Ltd.	C-50668	Private
59	Marine & Marine Ltd.	C-31884	Private
60	Deya Oil Ltd.	C-97185	Private
61	Shamolima Logistics & Ternary Ltd.	C-69397	Private
62	Nowapara Packaging Industries Ltd.	C-70409	Private
63	International Medicare Ltd.	C-39939	Private
64	Asian Age Enterprise Ltd.	C-50312	Private
65	Hafiz Muslehuddin And Company Ltd.	C-6401/131	Private
66	M. Delwar& Brothers	N/A	Private
67	Adroit Consultants And Engineers	N/A	Partnership
68	Sikder Food Products Ltd	C-28124	Private
69	Information Frontiers Limited	C-47635	Private
70	Bangladesh Electrical Merchandise Manufacturers Association	N/A	Private
71	Ibn SinaApi Limited	C-155137	Private
72	The Ibn Sina Natural Medicine Ltd	C-166774	Private
73	Ibn Sina Polymer Industry Ltd	C-160691	Private
74	Quantum Consumer Solutions Ltd	C-53088	Private
75	Aurum Sweater Limited	C-67011	Private
76	Republic Insurance Company Ltd Employees Provident Fund	N/A	Others
77	Baraka Securities Limited	C-169708	
78	Reliance Insurance Limited Employees Gratuity Fund	N/A	Others
79	Rahim Textile Mills Limited Employees Provident Fund	N/A	Others
80	Reliance Insurance Limited Provident Fund	N/A	Others
81	Yoga Foundation (Pvt.) Limited	C-26907	Private
82	NIPRO JMI Marketing Limited	C-137846	Private
83	APGICL Employees Provident Fund	N/A	Others
84	Austexim Agro (Bd) Ltd.	C-129920	Private
85	Jahangir Flour & Food Ind. (Pvt) Ltd.	C-25084	Private
86	Phoenix Finance & Investments Ltd. Employees Provident Fund	N/A	Others
87	Jamuna Bank Fndation	N/A	Others
88	BGMEA University Of Fashion & Technology Employees Provident Fund	N/A	Others

89	Alfa Patterns (Bd) Ltd Employees (Contributory) Provident Fund	N/A	Others
90	Self-Vision Limited	C-96996	Private
91	Mom Dairy Limited	C-161546	Private
92	Bakergonj Forum (Mfi)	N/A	Private
93	Bakergonj Forum	N/A	Private
94	Apex Property Development Limited	C-47159	Private
95	Daichipex Textile Mills Limited	C-27041	Private

List of Corporations:

1. Bangladesh Sugar and Food Industries Corporation
2. Bangladesh Agricultural Development Corporation (BADC)
3. Bangladesh Road Transport Corporation (BRTC)
4. Sadharan Bima Corporation

3.8 Certifications

An audit firm in Bangladesh must obtain proper certification and registration from the relevant professional and regulatory authorities to legally perform statutory audits. These certifications ensure that the audit firm complies with professional standards, ethical requirements, and legal regulations. **Malek Siddiqui Wali, Chartered Accountants** has the certificates and registrations which are vital to perform an audit.

Certifications and Registrations required for an audit firm are as follows:

Registration with the Institute of Chartered Accountants of Bangladesh (ICAB):

The audit firm must be registered with ICAB and operated by qualified Chartered Accountants who are members of the institute.

Certificate of Practice (COP):

Audit partners of the firm must hold a valid Certificate of Practice issued by ICAB, which authorizes them to sign audit reports.

Firm License from ICAB:

The audit firm must obtain an audit firm license from ICAB to conduct statutory audits and assurance services.

Enrollment with Regulatory Authorities:

The firm may be enlisted with regulatory bodies such as the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Bank, or other regulators, depending on the nature of audit assignments.

Compliance with Quality Control Standards:

The audit firm must comply with applicable quality control standards such as International Standard on Quality Management (ISQM) issued by IFAC and adopted by ICAB.

Trade License and Legal Registration:

The firm must have a valid trade license and legal registration to operate as a professional service firm in Bangladesh.

These certifications and registrations ensure that the audit firm operates within the legal framework, maintains professional competence, and delivers reliable and independent audit services.

Chapter Four: Data Collection and Analysis

4.1 Over view of audit Practicing

Audit practice refers to the systematic process followed by an audit firm to plan, perform, and report audit engagements in accordance with professional standards and legal requirements. In an audit firm, audit practice is centered on ensuring that financial statements present a true and fair view and that audit work is conducted with integrity, independence, and professional competence. The primary objective of audit practice is to ensure that financial statements present a true and fair view and are free from material misstatement.

- At **Malek Siddique Wali, Chartered Accountants**, audit practice is primarily guided by the International Standards on Auditing (ISA) and the regulatory framework of Bangladesh.
- The audit process begins with engagement acceptance and planning, followed by risk assessment, evaluation of internal control systems, execution of audit procedures, and finally the preparation of the audit report
- Each stage of the audit process is carried out under appropriate supervision and review to maintain audit quality.
- The firm adopts a risk-based audit approach, where audit efforts are focused on areas with higher risk of material misstatement.
- Audit assertions are considered while designing audit procedures to ensure that sufficient and appropriate audit evidence is obtained.
- Both tests of controls and substantive procedures are applied depending on the effectiveness of internal controls and the nature of the audit engagement.

- Proper audit documentation is an essential part of audit practice at the firm. Working papers are prepared to record audit procedures performed, evidence obtained, and conclusions reached.
- Audit working papers are reviewed by audit seniors and managers to ensure compliance with auditing standards and firm policies.

Overall, the audit practice followed by **Malek Siddique Wali, Chartered Accountants** emphasizes professionalism, ethical conduct, and adherence to auditing standards, while addressing practical challenges such as time constraints and confidentiality requirements. This structured approach supports the delivery of reliable and high-quality audit services.

4.2 Audit Practices Observed in the Firm:

During the internship period at **Malek Siddique Wali, Chartered Accountants**, it was observed that the firm follows a systematic and risk-based approach to audit practice which are written down as below:

Audit Planning

- Audit planning is the first and most important stage of the audit process in **Malek Siddique Wali, Chartered Accountants**. Before starting an audit engagement, the audit team gathers basic information about the client, including the nature of business, regulatory requirements, and prior-year audit findings. An audit plan is prepared to determine the scope, timing, and extent of audit procedures.

Risk Assessment

- The firm places importance on identifying and assessing audit risks. During this stage, auditors evaluate inherent risk and control risk by understanding the client's business environment and internal control system. Areas with higher risk are identified for more detailed audit procedures.

Evaluation of Internal Control System

- Auditors review the internal control system of the client to assess its effectiveness and reliability.
- This includes understanding control procedures related to revenue, expenses, assets, and liabilities.
- Weaknesses in internal controls are identified and considered while designing audit procedures.

Audit Fieldwork and Procedures

- During fieldwork, auditors perform substantive audit procedures such as vouching, verification, confirmation, and analytical review. Supporting documents are examined to ensure the accuracy and completeness of financial information. Audit evidence is collected to support audit conclusions.

Audit Documentation

- Proper audit documentation is maintained to record audit procedures performed, evidence obtained, and conclusions reached. Working papers are reviewed by audit seniors and managers to ensure completeness and compliance with auditing standards.

Audit Reporting

- After completing audit procedures, the audit team prepares the audit report based on the findings. The audit opinion is formed considering the sufficiency and appropriateness of audit evidence and compliance with applicable standards.

4.3 Audit Planning :

Audit planning is the initial and most important stage of the audit process. From a broad perspective, audit planning involves developing an overall strategy for the audit and determining the nature, timing, and extent of audit procedures. The main objective of audit planning is to ensure that the audit is conducted efficiently and effectively while reducing audit risk to an acceptably low level.

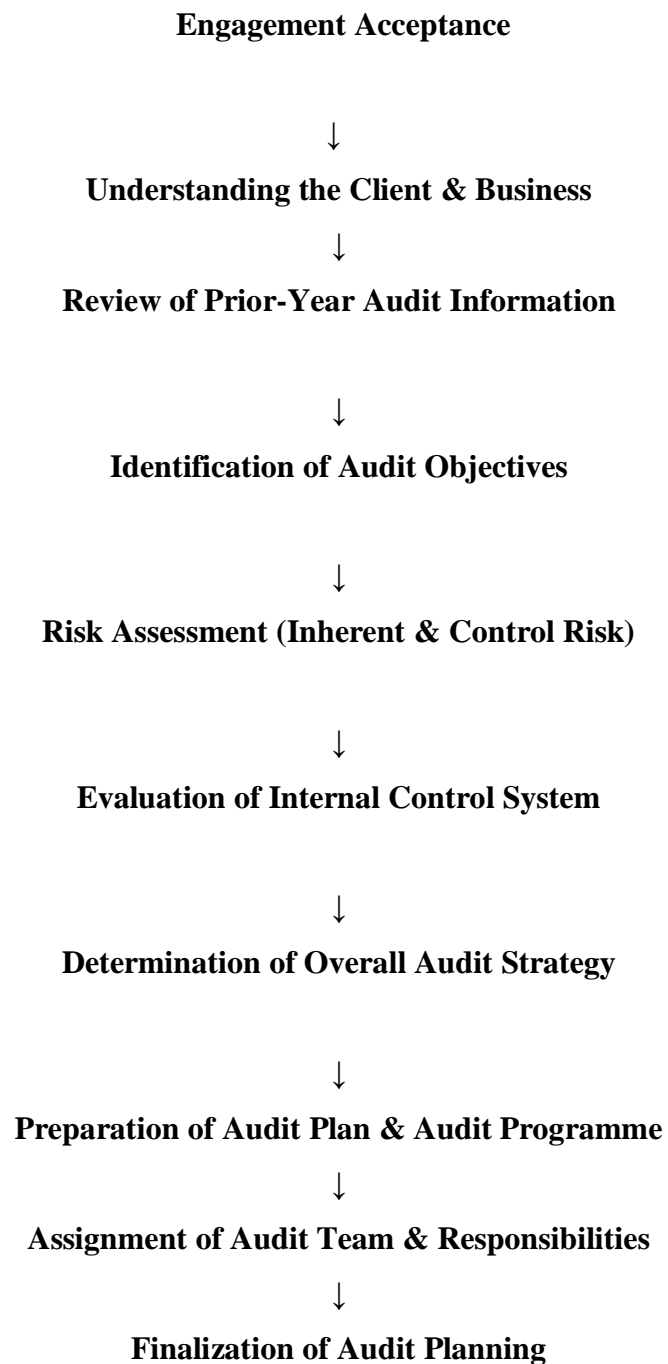
4.3.1 Audit Planning in Audit Practice:

- In audit practice, audit planning starts with engagement acceptance and gathering basic information about the client.
- Prior-year audit files and financial statements are reviewed to identify recurring issues.
- The audit team discusses significant risk areas and prepares an audit plan and audit programme.
- Risk assessment procedures are performed to identify areas requiring detailed audit testing.
- Audit responsibilities are assigned among team members based on experience and complexity of work.

Example:

- Detailed testing is planned for revenue transactions to address occurrence and cut-off risks.
- Physical verification or sample testing is planned for inventory to address existence and valuation.
- Depreciation and ownership documents are reviewed for fixed assets to confirm accuracy and rights.
- Proper audit planning helps ensure coordination among audit team members and timely completion of the audit.

4.3.2. Audit Planning Flow Chart:



4.4 Risk Assessment:

Risk assessment is a key stage of audit practice, as it helps auditors identify areas where material misstatements may occur and design appropriate audit procedures. In audit practice, risk assessment allows auditors to focus more on high-risk areas and allocate audit resources effectively. Steps followed are:

Understanding the Client and Its Business:

Auditors begin by understanding the client's nature of business, industry, and operating environment. This helps identify business-related risks that may affect financial reporting.

Example:

- A trading company with high cash sales may face a higher risk of revenue understatement or cash misappropriation.
- A manufacturing company may face inventory valuation and wastage risks.

Understanding the Internal Control System:

Auditors evaluate internal controls related to financial reporting to assess whether controls are properly designed and implemented.

Example:

- If sales invoices are not independently approved, there is a higher risk of unauthorized revenue transactions.
- Weak stock custody controls may increase the risk of inventory theft or misstatement.

Identification of Risks of Material Misstatement:

Based on business understanding and internal control review, auditors identify risks at both the financial statement level and assertion level.

Example:

- Revenue may be at risk of overstatement to inflate profit.
- Inventory may be overstated due to obsolete or slow-moving items not being written off.

Assessment of Inherent Risk:

Auditors assess inherent risk by considering the complexity and judgment involved in transactions.

Example:

- Depreciation expense involves management estimates, increasing inherent risk.
- Provision for doubtful debts may be manipulated to manage profits.

Assessment of Control Risk:

Control risk is assessed based on the effectiveness of internal controls.

Example:

- If inventory records are not reconciled with physical stock, control risk is considered high.
- If bank reconciliations are prepared regularly and reviewed, control risk may be lower.

Determination of Overall Audit Risk:

Audit risk is determined by combining inherent risk, control risk, and acceptable detection risk.

Example:

- High inherent risk in revenue and weak controls result in low acceptable detection risk, requiring more detailed testing.

Identification of Significant Risk Areas:

Auditors identify significant risks that require special attention.

Example:

- Revenue recognition near year-end may be treated as a significant risk area due to cut-off issues.
- Related party transactions may require additional scrutiny.

Designing Audit Responses to Assessed Risks:

Audit procedures are designed to address identified risks.

Example:

- Perform detailed vouching of sales invoices near year-end to test revenue cut-off.
- Conduct physical inventory observation and test valuation methods.

Continuous Risk Assessment During the Audit:

Risk assessment continues throughout the audit engagement.

Example:

- If unexpected differences are found during stock verification, auditors may expand inventory testing.
- Unusual fluctuations in expenses may lead to additional analytical and substantive procedures.

4.5. Evaluation of Internal Control System:

Evaluation of the internal control system is an important part of audit practice, as it helps auditors assess how effectively an organization prevents or detects errors and fraud in financial reporting. In audit practice, understanding and evaluating internal controls allow auditors to determine the nature, timing, and extent of audit procedures to be performed.

At **Malek Siddique Wali, Chartered Accountants**, evaluation of internal control systems is carried out during the planning and risk assessment stage of the audit. The audit team focuses on controls relevant to financial reporting, such as controls over revenue, purchases, inventory, assets, and cash.

Understanding the Internal Control System:

Auditors begin by obtaining an understanding of the client's internal control structure. This includes understanding policies, procedures, authorization processes, documentation, segregation of duties, and monitoring activities.

Example:

- Understanding how sales are initiated, approved, recorded, and collected.
- Reviewing whether purchase orders are authorized before goods are received.

This understanding helps auditors identify areas where controls may be strong or weak.

Components of Internal Control Evaluated

Auditors generally evaluate internal control systems based on the following components:

- **Control Environment:** Management's attitude towards internal control, ethical values, and organizational structure.
Example: Presence of clear authority levels and ethical policies.
- **Risk Assessment Process:** How management identifies and manages business and financial risks.
Example: Management identifying credit risk related to customers.
- **Control Activities:** Policies and procedures that help ensure management directives are carried out.
Example: Authorization of payments and segregation of duties.
- **Information and Communication:** Systems used to record and communicate financial information.
Example: Use of accounting software and reporting procedures.
- **Monitoring Activities:** Ongoing evaluation of control effectiveness.
Example: Internal reviews or management supervision.

Identification of Key Controls

After understanding the system, auditors identify key controls that are important for preventing or detecting material misstatements.

Example:

- Reconciliation of bank balances on a monthly basis.
- Physical verification of inventory at regular intervals.

- Approval of journal entries by senior management.

Key controls are selected for further evaluation and testing.

Tests of Controls (TOC)

Tests of Controls (TOC) are audit procedures performed to evaluate whether internal controls are operating effectively throughout the period.

Auditors perform TOC when they plan to rely on internal controls to reduce substantive testing.

Common TOC Techniques Include:

- **Inquiry:** Asking staff about how controls are performed.
- **Observation:** Observing the application of controls.
- **Inspection:** Examining documents and records.
- **Re-performance:** Independently executing control procedures.

Examples of TOC:

- Checking whether sales invoices are approved before recording revenue.
- Reviewing evidence of authorization on payment vouchers.
- Re-performing bank reconciliation to verify accuracy.
- Observing physical inventory count procedures.

If controls are found to be effective, auditors may reduce the extent of substantive testing.

Evaluation of Control Deficiencies:

Auditors evaluate whether identified control weaknesses are significant or material.

Example:

- Lack of segregation between cash handling and record keeping may be considered a significant control weakness.
- Delay in bank reconciliation may increase the risk of undetected errors.

Control deficiencies are documented and considered while designing audit procedures.

Impact of Internal Control Evaluation on Audit Approach

The results of internal control evaluation directly influence the audit strategy.

Example:

- Strong internal controls over revenue may lead to more reliance on analytical procedures.
- Weak inventory controls may require extensive physical verification and valuation testing.

Thus, internal control evaluation helps auditors decide the level of audit testing required.

Continuous Review of Internal Controls

Internal control evaluation is not limited to the planning stage. Auditors continuously assess controls during audit fieldwork and update their assessment if new issues arise.

Example:

- If discrepancies are found during inventory verification, auditors may reassess control risk and expand audit procedures.

4.6 Audit Fieldwork and Procedures:

Audit fieldwork is the stage of the audit where planned audit procedures are executed to obtain sufficient and appropriate audit evidence. During audit practice at **Malek Siddique Wali, Chartered Accountants**, audit fieldwork is carried out in accordance with the approved audit plan and audit programme. The purpose of audit fieldwork is to test audit assertions related to transactions, account balances, and disclosures and to form a basis for the audit opinion.

Key activities during audit fieldwork include:

➤ Audit Fieldwork Process in Practice

Audit fieldwork begins after completion of audit planning and risk assessment. During this stage, auditors perform detailed testing through tests of controls and substantive procedures. Fieldwork is conducted at the client's premises or remotely, depending on the nature of the engagement.

Key activities during audit fieldwork include:

- Performing audit procedures as per the audit programme
- Collecting and documenting audit evidence
- Evaluating findings and discussing issues with audit seniors
- Updating audit documentation based on fieldwork results

➤ Role of Audit Programme during Fieldwork

An audit programme acts as a practical guide during audit fieldwork. It outlines the audit procedures to be performed for each significant audit area, the related audit assertions, and the responsibilities of audit team members..

Purpose of Audit Programme in Fieldwork:

- Ensures systematic execution of audit procedures
- Helps maintain consistency and completeness of audit work
- Facilitates supervision and review by seniors and managers

➤ Audit Assertions Considered during Fieldwork

Audit assertions are the claims or representations made by management regarding the financial statements. When management prepares financial statements, it implicitly asserts that the information presented is accurate, complete, and prepared in accordance with applicable accounting standards. The auditor's role is to test these assertions to ensure that the financial

statements are free from material misstatement.

In audit practice, assertions help auditors identify what could go wrong in financial statements and guide them in designing appropriate audit procedures to obtain sufficient and appropriate audit evidence

During audit fieldwork, procedures are designed to test the following assertions:

Assertions Related to Transactions:

- Occurrence
- Completeness
- Accuracy
- Cut-off
- Classification

Assertions Related to Account Balances

- Existence
- Rights and obligations
- Completeness
- Valuation and allocation

Assertions Related to Presentation and Disclosure

- Occurrence
- Completeness
- Accuracy
- Understandability

These assertions guide auditors in selecting appropriate audit procedures.

➤ **Audit Procedures Performed during Fieldwork**

Audit procedures are the specific actions and steps performed by an auditor to obtain sufficient and appropriate audit evidence in order to form an audit opinion on the financial statements. These procedures are designed to test management's assertions and to identify any material misstatements caused by error or fraud.

In audit practice, audit procedures are planned during the audit planning stage and carried out during audit fieldwork. The nature, timing, and extent of audit procedures depend on the assessed level of audit risk and the effectiveness of the client's internal control system.

Here are some common Audit procedures performed during an audit with example:

1. Revenue Audit Procedures

Relevant Assertions:

- Occurrence, Completeness, Accuracy, Cut-off

Audit Procedures Performed:

- Vouching sales transactions with invoices and delivery documents
- Checking authorization of sales invoices
- Performing cut-off testing near year-end
- Analytical review of monthly revenue trends

Example:

Sales invoices recorded near year-end were checked against delivery challans to ensure revenue was recognized in the correct accounting period.

2. Purchases and Expenses Audit Procedures

Relevant Assertions:

- Occurrence, Completeness, Accuracy, Classification

Audit Procedures Performed:

- Vouching purchase invoices with purchase orders and goods received notes
- Reviewing authorization of payment vouchers
- Analytical comparison of expenses with prior periods

Example:

Utility expenses were compared with previous months to identify unusual fluctuations requiring further investigation.

3. Inventory Audit Procedures

Relevant Assertions:

- Existence, Completeness, Valuation

Audit Procedures Performed:

- Observing physical inventory count
- Reconciling physical stock with inventory records
- Reviewing valuation methods and identifying obsolete stock

Example:

Slow-moving inventory items were reviewed to assess whether adequate provision for obsolescence was required.

4. Fixed Assets Audit Procedures

Relevant Assertions:

- Existence, Rights and Obligations, Valuation

Audit Procedures Performed:

- Physical verification of selected fixed assets
- Examination of ownership documents
- Recalculation of depreciation

Example:

Depreciation was recalculated to ensure correct application of rates and useful life assumptions.

5. Cash and Bank Audit Procedures

Relevant Assertions:

- Existence, Completeness, Accuracy

Audit Procedures Performed:

- Reviewing bank reconciliation statements
- Obtaining bank confirmations
- Verifying cash balances

Example:

Outstanding reconciling items in bank reconciliation were traced to supporting documents.

➤ **Tests of Controls and Substantive Procedures**

During fieldwork, both tests of controls and substantive procedures are performed depending on the assessed control risk.

Tests of Controls:

Tests of controls are audit procedures performed to evaluate whether a client's internal control system is operating effectively throughout the audit period. Auditors perform tests of controls when they intend to rely on internal controls to reduce the extent of substantive testing. The objective of tests of controls is not to detect errors in amounts, but to determine whether controls are properly designed and consistently applied.

Common Techniques Used in Tests of Controls:

- Inquiry: Asking staff how a control is performed.
- Observation: Watching the performance of a control.
- Inspection: Examining documents for evidence of control operation.
- Re-performance: Independently executing the control.

Examples of Tests of Controls in Audit Practice

- **Revenue Controls:**

Auditors inspect sales invoices to check whether they are approved by authorized personnel before being recorded. They may also observe the process of issuing invoices to ensure proper authorization.

- **Purchase Controls:**

Auditors review purchase orders and goods received notes to verify whether purchases are approved and matched before payment.

- **Cash Controls:**

Auditors inspect bank reconciliation statements to confirm whether they are prepared regularly and reviewed by a responsible officer.

- **Inventory Controls:**

Auditors observe physical inventory counts to evaluate whether counting procedures are properly followed and supervised.

If controls are found to be effective, auditors may place reliance on them and reduce the extent of detailed substantive testing.

Substantive Procedures:

Substantive procedures are audit procedures designed to detect material misstatements in financial statements. These procedures focus directly on verifying the accuracy, completeness, and validity of account balances and transactions. Substantive procedures are performed regardless of the strength of internal controls, but their extent increases when controls are weak.

Substantive procedures include **tests of details** and **substantive analytical procedures**.

Examples of Substantive Procedures in Audit Practice:

- **Revenue Testing:**

Auditors vouch recorded sales transactions to supporting documents such as sales invoices, delivery challans, and customer confirmations to ensure revenue has occurred and is recorded accurately.

- **Expense Testing:**

Auditors vouch expense transactions with invoices, contracts, and payment vouchers to confirm occurrence, accuracy, and proper classification.

Inventory Verification:

Auditors perform physical verification of inventory and review valuation methods to ensure inventory is correctly valued and exists at the reporting date.

- **Fixed Asset Verification:**

Auditors physically inspect selected fixed assets, review ownership documents, and recalculate depreciation to verify existence, rights, and valuation.

- **Bank and Cash Verification:**

Auditors obtain bank confirmations, verify cash balances, and review bank reconciliation statements to ensure completeness and accuracy.

- **Substantive Analytical Procedures:**

Auditors compare current-year financial information with prior years or budgets to identify unusual variations requiring further investigation.

Key Differences between Tests of Controls and Substantive Procedures:

- Tests of controls focus on how well internal controls operate.
- Substantive procedures focus on detecting errors or misstatements in financial amounts.
- Effective controls may reduce substantive testing, but substantive procedures cannot be eliminated entirely.

If controls are found to be weak, auditors increase the extent of substantive testing.

➤ Documentation of Audit Fieldwork

Audit documentation is a vital part of audit fieldwork, as it provides written evidence of the audit procedures performed, audit evidence obtained, and conclusions reached by the auditor. Proper documentation supports the auditor's opinion and demonstrates that the audit was conducted in accordance with International Standards on Auditing (ISA).

In audit practice, documentation is prepared throughout the audit fieldwork stage and not

at the end of the engagement. All significant audit matters, judgments, and findings are recorded in audit working papers to ensure transparency, accountability, and effective review.

Purpose of Audit Documentation

The main purposes of audit documentation are:

- To provide evidence that the audit was planned and performed in accordance with auditing standards
- To support the audit opinion expressed in the audit report
- To facilitate supervision and review of audit work
- To serve as a record for future audits

Types of Audit Documentation Used in Fieldwork:

During audit fieldwork, different types of working papers are prepared depending on the audit area.

Examples include:

- Audit planning memorandums and risk assessment documents
- Internal control questionnaires and flowcharts
- Audit programmes and checklists
- Vouching and verification schedules
- Bank reconciliation reviews and confirmation letters
- Analytical review working papers

Documentation of Tests of Controls

When performing tests of controls, auditors document:

- The control tested
- The method of testing
- The sample selected
- The results of the test

Example:

If approval of sales invoices is a key control, auditors document sample invoice numbers reviewed, evidence of approval, and conclusions on whether the control operated effectively.

Documentation of Substantive Procedures

Substantive procedures are documented to show how audit evidence supports account balances and transactions.

Example:

For inventory verification, auditors document stock count sheets, reconciliation of physical stock with inventory records, and observations regarding damaged or obsolete items.

Use of Tick Marks and Cross-Referencing

Audit working papers commonly use tick marks and cross-referencing to indicate audit procedures performed and link related documents.

Example:

A tick mark may indicate that a transaction has been vouched to supporting documents, while cross-referencing links the working paper to the audit programme or financial statement note.

Review and Supervision of Audit Documentation

Audit documentation is reviewed at different levels to ensure completeness and accuracy. Audit seniors review working papers prepared by associates, and audit managers perform further review before finalization.

Example:

Review notes are raised on working papers requiring clarification or additional testing, and audit staff respond by updating documentation accordingly.

Confidentiality and Safe Custody of Audit Documentation

Audit documentation is treated as confidential and is securely maintained by the audit firm. Access to working papers is restricted to authorized personnel only.

Example:

Electronic working papers may be stored in password-protected systems, while physical files are kept in secured cabinets.

Practical Observations on Audit Documentation in Audit Fieldwork

During audit practice at **Malek Siddique Wali, Chartered Accountants**, it was observed that proper documentation is emphasized to ensure audit quality. However, time constraints and availability of client documents sometimes affect the level of detail in working papers. Despite these challenges, documentation standards are maintained in line with professional requirements.

➤ Practical Observations from Audit Fieldwork

From audit practice at **Malek Siddique Wali, Chartered Accountants**, it was observed that audit fieldwork is carried out in a disciplined and systematic manner. However, practical challenges such as time constraints, availability of client documents, and confidentiality restrictions sometimes affect the extent of audit testing. Despite these challenges, professional judgment and adherence to auditing standards are maintained.

4.7 Audit Documentation:

Audit documentation refers to the written records prepared by auditors to document audit procedures performed, audit evidence obtained, and conclusions reached during an audit engagement. Proper audit documentation is essential as it supports the auditor's opinion and demonstrates that the audit has been conducted in accordance with International Standards on Auditing (ISA). In audit practice, audit documentation is maintained throughout the audit process, from planning to reporting.

At **Malek Siddique Wali, Chartered Accountants**, audit documentation is considered an integral part of audit quality and professional accountability.

Objectives of Audit Documentation

The main objectives of maintaining audit documentation are:

- To provide evidence that the audit was properly planned and executed
- To support audit findings and conclusions
- To facilitate supervision and review of audit work
- To serve as a reference for future audit engagements

Types of Audit Documentation Used in Practice:

Audit documentation includes various working papers prepared at different stages of the audit.

Examples include:

- Engagement acceptance documents
- Audit planning memorandums and risk assessment sheets
- Internal control questionnaires and flowcharts
- Audit programmes and checklists
- Substantive testing schedules
- Confirmation letters and reconciliation statements
- Analytical review working papers

Documentation of Audit Planning and Risk Assessment:

Audit planning documents outline the audit strategy, scope, and identified risk areas.

Example:

- An audit planning memorandum may include identified high-risk areas such as revenue recognition or inventory valuation, along with planned audit responses.

Documentation of Tests of Controls:

When testing internal controls, auditors document the control tested, sample selected, and test results.

Example:

- For testing approval of purchase invoices, auditors document invoice numbers tested, evidence of authorization, and conclusions on control effectiveness.

Documentation of Substantive Procedures:

Substantive testing documentation provides evidence that account balances and transactions are free from material misstatement.

Example:

- For revenue testing, auditors prepare vouching schedules showing sales invoices, delivery documents, and matching amounts.

Use of Tick Marks and Cross-Referencing:

Tick marks and cross-references are used to indicate audit procedures performed and to link working papers with audit programmes and financial statement items.

Example:

- A tick mark may indicate that bank balance confirmations have been received and agreed, while cross-referencing links the confirmation to the bank balance working paper.

Review and Supervision of Audit Documentation:

Audit documentation is reviewed at multiple levels to ensure completeness and accuracy.

Example:

- Audit seniors review working papers prepared by associates, and review notes are documented and cleared before finalization.

Confidentiality and Safe Custody of Audit Documentation:

Audit documentation is treated as confidential and stored securely.

Example:

- Electronic working papers are stored in secured systems, and physical files are maintained under controlled access.

Practical Observations on Audit Documentation

In audit practice, it is observed that proper documentation enhances audit quality and accountability. Although time constraints and client cooperation may affect documentation, audit firms emphasize maintaining adequate working papers in compliance with professional standards. **Malek Siddiqui Wali, Chartered Accountants** has a comprehensive audit programme designed in Microsoft Excel made by Partners and Directors of the firm. This Audit Programme contains a detailed audit procedures, audit assertions and substantive audit procedures and a guidelines to perform audit in various elements of Financial statements like (Asset, Bank, Cash ,Receivables, Payables, Loan), this are called audit schedules This Excel sheets or audit schedules are widely used by the auditors during audit fieldwork. Partners and managers also used this MS Excel audit programme for review purpose and it also helps the audit firm to preserve data in electronic form.

4.8 Audit Reporting:

Audit reporting is the final stage of the audit process, where the auditor communicates the results of the audit to stakeholders through a formal audit report. The audit report expresses the auditor's opinion on whether the financial statements present a true and fair view in accordance with applicable accounting standards and legal requirements. Audit reporting is a critical outcome of audit practice, as users of financial statements rely heavily on the auditor's opinion for decision-making.

In audit practice at Malek Siddique Wali, Chartered Accountants, audit reporting is prepared after completing audit fieldwork, evaluating audit evidence, and resolving all significant audit issues. The audit report is prepared in compliance with International Standards on Auditing (ISA) and relevant laws of Bangladesh.

Objectives of Audit Reporting

The main objectives of audit reporting are:

- To communicate the auditor's independent opinion on the financial statements
- To enhance credibility and reliability of financial information
- To inform stakeholders about any material misstatements or limitations identified during the audit
- To ensure compliance with legal and professional requirements

Process of Audit Reporting in Practice:

Audit reporting in practice involves the following steps:

- Review of audit working papers and evidence
- Evaluation of identified misstatements
- Discussion of audit findings with management
- Finalization of audit conclusions
- Preparation and issuance of the audit report

Only after ensuring that sufficient and appropriate audit evidence has been obtained does the auditor issue the audit report.

Types of Audit Opinions

The auditor expresses an opinion based on the audit findings. The main types of audit opinions are as follows:

1. Unmodified (Unqualified) Audit Opinion

An unmodified opinion is issued when the auditor concludes that the financial statements present a true and fair view in all material respects and are prepared in accordance with applicable standards.

According to ISA-705.

Example:

- The auditor issues an unqualified opinion when the company maintains proper accounting records, internal controls are effective, and no material misstatements are identified.

2. Qualified Audit Opinion

A qualified opinion is issued when the auditor concludes that, except for a specific matter, the financial statements present a true and fair view. The matter is material but not pervasive.

According to ISA-705.

Example:

- The auditor may issue a qualified opinion if inventory records are incomplete, but the issue affects only inventory valuation and not the overall financial statements.

3. Adverse Audit Opinion

An adverse opinion is issued when misstatements are both material and pervasive, resulting in financial statements that do not present a true and fair view.

Example:

If revenue is significantly overstated and management refuses to correct it, the auditor may issue an adverse opinion.

4. Disclaimer of Opinion

A disclaimer of opinion is issued when the auditor is unable to obtain sufficient and appropriate audit evidence and therefore cannot form an opinion.

Example:

If major accounting records are unavailable due to loss or restriction imposed by management, the auditor may disclaim an opinion.

Types of Audit Reports

Audit reports vary depending on the nature of the audit and reporting requirements.

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1. Statutory Audit Report

This is the most common audit report issued for companies as required by law. It includes the auditor's opinion on the financial statements.

Example:

- A statutory audit report issued under the Companies Act, 1994 for a limited company.

2. Long-Form Audit Report

This report provides detailed findings, observations, and recommendations in addition to the audit opinion.

Example:

- A long-form report issued to management highlighting weaknesses in internal controls and suggesting improvements.

3. Management Representation Letter

Although not part of the statutory audit report, a management letter is often issued to communicate internal control weaknesses and operational issues. **(ISA- 580)**.

Example:

- A letter pointing out lack of segregation of duties and recommending corrective measures.

4. Special Purpose Audit Report

This report is issued for specific audit engagements other than statutory audits.

Example:

- A due diligence report prepared for a merger or acquisition.

Structure of a Standard Audit Report

A standard audit report generally includes:

- Title and addressee
- Auditor's opinion
- Basis for opinion
- Responsibilities of management
- Auditor's responsibilities
- Report on legal and regulatory requirements
- Signature, date, and place

Practical Observations on Audit Reporting

In audit practice, it is observed that audit reporting requires careful professional judgment.

Auditors must ensure that the audit opinion is supported by sufficient audit evidence and that all significant issues are properly disclosed. Time pressure and management discussions often influence the reporting process, but professional independence and ethical standards are maintained.

Chapter Five: Findings

5.1 Findings

This chapter presents the key findings of the study based on practical observation, involvement in audit engagements, and analysis of audit practices followed at **Malek Siddique Wali, Chartered Accountants**. The findings reflect how audit activities are performed in practice, the strengths of the audit process, and the challenges faced during audit engagements.

5.2 Findings Related to Audit Planning

- It was observed that audit planning is given significant importance before commencing audit fieldwork.
- The firm prepares audit plans and audit programmes after understanding the client's business and assessing audit risks.
- Prior-year audit information is reviewed to identify recurring issues and risk areas.
- A risk-based audit approach is followed, where more attention is given to high-risk areas such as revenue, inventory, and management estimates.

5.3 Findings Related to Risk Assessment

- The firm performs risk assessment at both the financial statement level and assertion level.
- Inherent and control risks are identified based on the nature of business and internal control effectiveness.
- Areas involving judgment, such as depreciation and provisions, are treated as higher-risk areas.
- Risk assessment is continuously updated during audit fieldwork based on audit findings.

5.4 Findings Related to Evaluation of Internal Control System

- The internal control systems of clients are reviewed to understand control procedures relevant to financial reporting.
- Key controls related to revenue, purchases, inventory, and cash are identified and evaluated.
- Tests of controls are performed where reliance on controls is planned.
- Weaknesses such as lack of segregation of duties and delayed reconciliations were observed in some cases, which increased control risk.

5.5 Findings Related to Audit Fieldwork and Procedures

- Audit fieldwork is conducted in accordance with the approved audit programme.
- Both tests of controls and substantive procedures are performed depending on assessed risk.
- Audit assertions are properly considered while designing audit procedures.
- Common audit procedures include vouching, verification, confirmation, recalculation, and analytical review.
- Practical challenges such as time constraints and availability of client documents sometimes affect the extent of audit testing.

5.6 Findings Related to Audit Documentation

- Proper audit documentation is maintained to record audit procedures performed and evidence obtained.
- Working papers are prepared systematically and reviewed by audit seniors and managers.
- Tick marks, cross-referencing, and audit checklists are used to ensure completeness of documentation.
- Due to confidentiality requirements, access to sensitive audit information is restricted, but documentation standards are maintained.

5.7 Findings Related to Audit Programme Usage

- Audit programmes are prepared for each engagement and customized based on client risk and nature of business.
- The audit programme serves as an effective guide during audit fieldwork.
- Changes in audit procedures during fieldwork are properly documented and approved.
- Use of audit programmes helps ensure consistency and proper supervision of audit work.

5.8 Findings Related to Audit Reporting

- Audit reports are prepared after completion of audit fieldwork and review of audit evidence.
- The type of audit opinion issued depends on audit findings and sufficiency of audit evidence.
- Unmodified opinions are issued when financial statements present a true and fair view.
- Qualified opinions are issued when specific material issues are identified.
- Audit reporting is carried out in compliance with International Standards on Auditing and applicable laws.

5.9 Overall Findings

- **Malek Siddique Wali, Chartered Accountants** follows a structured and systematic audit approach.
- Audit practices are generally aligned with International Standards on Auditing.
- Professional judgment and ethical considerations are emphasized throughout the audit process.
- Practical challenges such as time pressure, client cooperation, and confidentiality constraints are common in audit practice.
- Despite these challenges, the firm maintains audit quality and professional standards.

Chapter Six: Recommendations & Conclusion

6.1 Recommendations

Working at **Malek Siddiqui Wali , Chartered Accountants** an Audit firm was a great experience for me. I have learnt many things throughout my internship period. From my little knowledge I have some recommendations which are as follows:

- Strengthening Audit Planning Procedures
- Greater emphasis may be placed on early audit planning and detailed risk assessment to reduce time pressure during audit fieldwork.
- Enhancing Internal Control Evaluation
- More structured documentation of internal control evaluation may help in better identification of control weaknesses and planning of appropriate audit responses.
- Improving Audit Documentation Practices
- Continuous emphasis on clear, complete, and timely audit documentation can further support audit conclusions and facilitate effective review.
- Addressing Time Constraints during Audit Engagements
- Proper allocation of audit resources and realistic time budgeting may help reduce time pressure and improve audit efficiency.
- Increasing Use of Analytical Procedures
- Greater use of analytical review procedures at both planning and completion stages may improve risk identification and audit effectiveness.
- Continuous Professional Training
- Regular training and professional development programs for audit staff may enhance technical knowledge, professional judgment, and compliance with auditing standards.

- Strengthening Communication with Clients
- Improved communication with clients regarding documentation requirements and timelines may enhance audit efficiency and reduce delays during fieldwork.

6.2 Conclusion

The purpose of this internship was to examine and understand the audit practices followed by **Malek Siddique Wali, Chartered Accountants**. The study provided practical insights into how audit planning, risk assessment, internal control evaluation, audit fieldwork, documentation, and audit reporting are carried out in an audit firm environment.

The findings indicate that the firm follows a structured and systematic audit approach that is generally aligned with International Standards on Auditing and applicable regulatory requirements in Bangladesh. Audit planning and risk assessment are given due importance, and audit procedures are designed based on assessed risks and audit assertions. Proper audit documentation and supervision contribute to maintaining audit quality.

Despite facing practical challenges such as time constraints, confidentiality limitations, and client cooperation issues, the firm demonstrates a commitment to professional ethics, independence, and audit quality. Overall, **Malek Siddique Wali, Chartered Accountants** maintains sound audit practices and contributes positively to reliable financial reporting and stakeholder confidence.

The study concludes that continuous improvement in audit planning, documentation, and professional development can further enhance audit practice and audit quality in the firm. The findings and recommendations of this study may also be useful for other audit firms and accounting students seeking to understand practical audit processes in Bangladesh.

I would like to express my sincere gratitude to **Malek Siddique Wali, Chartered Accountants** for providing me the opportunity to complete my internship and conduct this study. I am thankful to the partners, managers, and all audit staff of the firm for their valuable guidance, cooperation, and continuous support throughout my internship period.

Their professional supervision and willingness to share practical audit knowledge greatly enhanced my understanding of audit practices in a real working environment. The learning experience and exposure I received at the firm have played a significant role in developing my practical skills and professional confidence. I am truly grateful to **Malek Siddique Wali, Chartered Accountants** for their support and encouragement.

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- Institute of Chartered Accountants of Bangladesh (ICAB)
Code of Ethics for Professional Accountants
- IAASB (IFAC)
Handbook of International Quality Control & Auditing Standards

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