



**Mahfel Huq & Co.**

Chartered Accountants

The first registered accounting firm in independent Bangladesh

## **Internship Report**

**On**

**An Analysis of Audit Procedures of**

**Mahfel Huq & Co.**



Internship Report  
On  
**An Analysis of Audit Procedures of  
Mahfel Huq & Co.**

**Submitted To**

**Abul Kalam**

Dean & Professor

Faculty of Business

Sonargaon University (SU)

**Submitted By**

Solimullah Tamal

ID: BBA2101022043

Sonargaon University (SU)

Date of Submission: 30 April 2022

## Letter of Transmittal

Date: 30 April 2022

Abul Kalam

Dean & Professor

Sonargaon University (SU).

Subject: Submission of Internship Report

Dear Sir,

This is my pleasure to submit the study report on **An Analysis of Audit Procedures of Mahfel Huq & Co**, which I was assigned. This is a great chance to me for acquire knowledge and experience in respect of performing this report.

This assigned to me as partial requirement for the competition of BBA program. Throughout the study I have tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions you have suggested. I tried my best to make this report as much information as possible. I sincerely believe that it will satisfy your requirements. However sincerely I believe that this report will serve the purpose of my project submission program.

I gave my best efforts to achieve the objectives of this report and hope that my endeavor will serve the purpose. Besides, I have followed your remarks and instructions very carefully while preparing this report. I tried the best to maintain your schedule, format and discipline. Thank you for your kind consideration.

Sincerely yours

.....  
Solimullah Tamal  
ID No: BBA2101022043

## Supervisor's Declaration

This is to clarify to that, Solimullah Tamal, ID No: BBA2101022043 Student of Bachelor of Business Administration (BBA), major in finance of Sonargaon University (SU) has completed this Internal Study Report on An Analysis of Audit Procedures of Mahfel Huq & Co, He has completed this project satisfactorily under my supervision as his partial fulfillment for the award of BBA degree.

He has done his job according to my supervision and guidance. He has tried his best to do this successfully. I think his study will help him in future to up build his career.

I wish his every success in life.

### SIGNATURE OF THE SUPERVISOR

.....

Abul Kalam

Dean & Professor

Faculty of Business

Sonargaon University (SU)

## Student's Declaration

I hereby declare that the Study Report On An Analysis of Audit Procedures of Mahfel Huq & Co, includes the result of my own works, pursued under the supervision of Abul Kalam, Dean & Professor of Faculty of Business, Sonargaon University (SU).

I also like to declare that this report paper is my original work and is prepared for academic purpose which is a part of my BBA program.

.....

Solimullah Tamal

ID No: BBA2101022043

Sonargaon University (SU)

## Acknowledgement

At first I would like to thank Almighty ALLAH who gave me to prepare this paper. This report has created a deal of interest to me.

Preparing this report was exciting and hard work at the same time. I would like to give, my heartiest gratitude to Abul Kalam, Dean & Professor of Faculty of Business, Sonargaon University (SU), my supervisor, for his kind concern, valuable time, advice, endless endeavor and guidance throughout the internship period and making of the report.

I would like to thank the authority to the Sonargaon University (SU) for allowing me to do my report here.

I, Md. Abbas Ali Mollik, Director of Mahfel Huq & Co. (Chartered Accountants) approve that Solimullah Tamal, ID: BBA2101022043 of Sonargaon University (SU) of BBA has completed his internship program starting from 01/12/21 to 28/02/22 at Mahfel Huq & Co. CA under my continuous and sincere supervision. Also, I have reviewed his report and am giving my utmost assurance that all facts and details that have been included are accurate and sound.

## Executive Summary

This report titled 'An Analysis of Audit Procedures of Mahfel Huq & Co. This report is a blend of the knowledge of undergrad program and the experience of the practical field. On the very first part, there is the description about the Audit Procedures of Mahfel Huq & Co. Here there are three parts, one describes audit and the other one is all about the audit practice in Mahfel Huq & Co, Chartered accountants according to the Audit Practice Manual (APM). All the stages followed for audit in Mahfel Huq & Co are discussed. The second part of the report is about the firm. **Mahfel Huq & Co** is an independent member of an international body, so the processes are a bit different and properly presented. However, the total idea of audit is same in both cases. Third part of the report contain of background of Mahfel Huq & Co. Chartered Accountants. In this part, I have tried to bring the steps related to Audit Practice Manual (APM) and discussed few issues I was permitted to disclose only. This part also has the lessons I learned and the responsibilities I had to fulfill during the audit.

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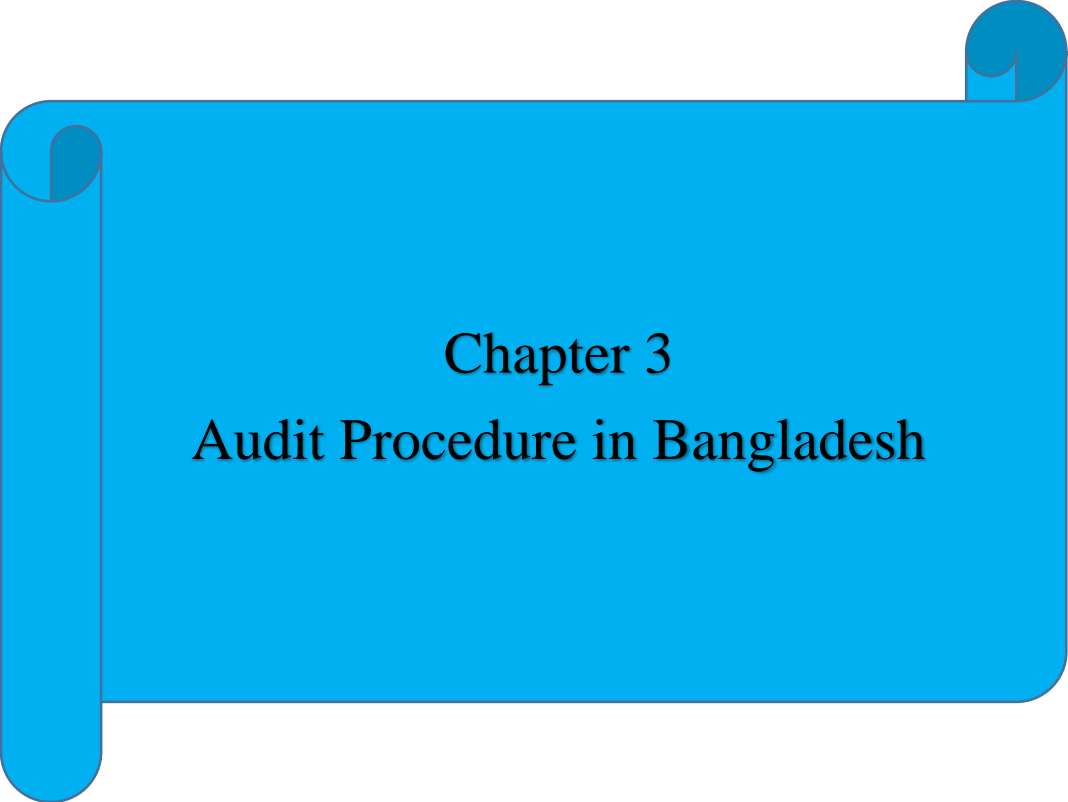
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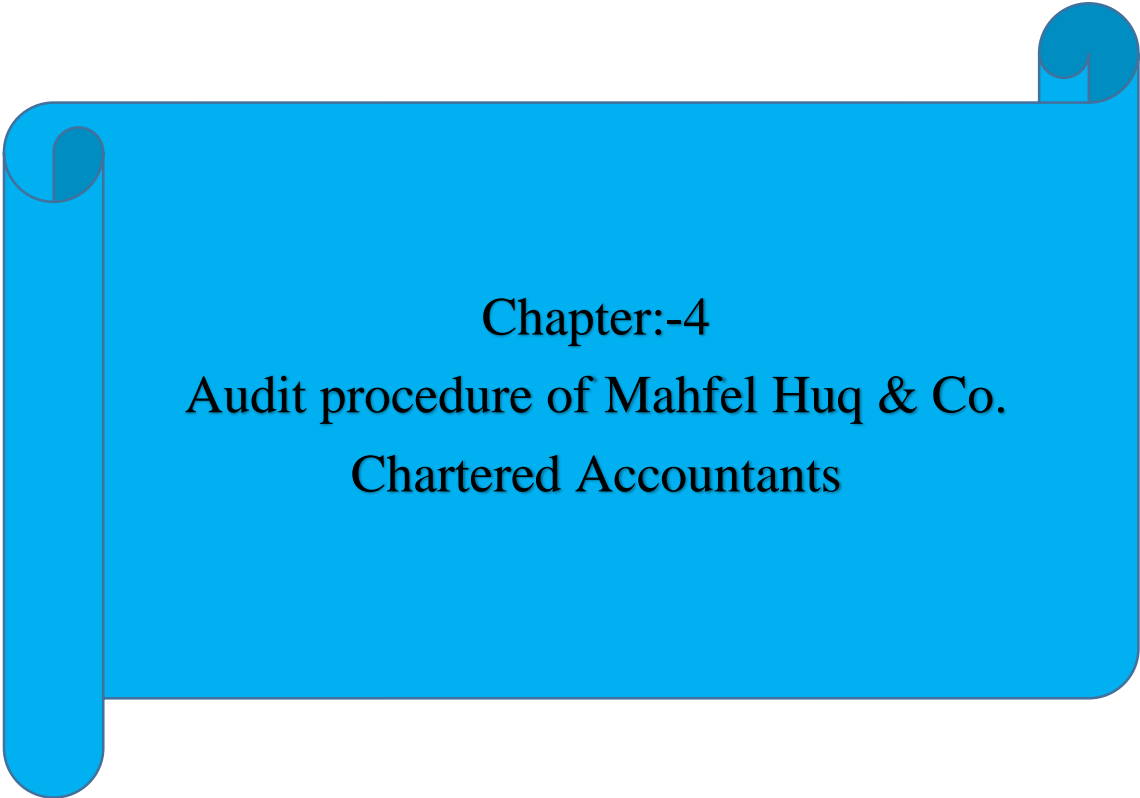
**Chapter: -1 Introduction**



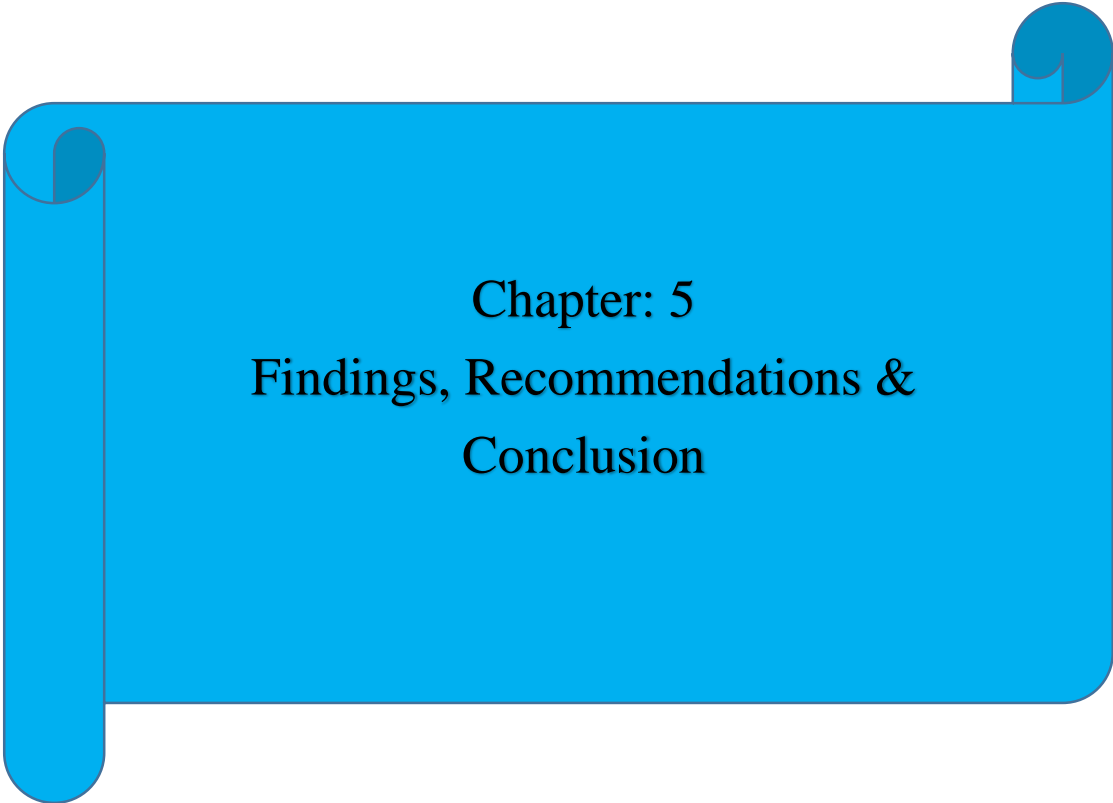
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**Chartered Accountants**



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**Findings, Recommendations &**  
**Conclusion**

## 1. Introduction

University is known to be the highest platform for gaining knowledge. It helps to explore the field; a student wants to study in and gives an opportunity to take the experience of that practical field. Internship Report is a very good way for a student to test the way he or she has chosen for future career. Anyone can definitely change their field in graduation stage if this experience does not match with their desired goals.

I have always wanted to pursue Chartered Accountancy after completion of my graduation. Therefore, working in MAHFEL HUQ & CO. It's helped me to explore the field before get into it. This report gave me an opportunity to observe and perform the audit procedures.

### 1.1 Rationale of the Study

Chartered Accountancy has always been a valued profession for the business students. Very few students are interested and come to explore this field. The economy of Bangladesh is growing tremendously which has led the country to be listed as the developing country by United Nation's Committee for Development Policy (CDP). This has increased the need for Chartered accountants more. Moreover, this profession gives the opportunity to know business from the core and so my interest was always there.

I got the opportunity to know how the audit mechanism works in Bangladesh and experienced the work of a very reputed manufacturing organization closely. I could relate the processes with the classroom knowledge; also, I was introduced with different practices, which were yet to know. On the other hand, internship report program of the university is an integral part of the BBA program. To minimize the gap between theoretical knowledge & practical field a student is required to work on a specific topic acquired during the period of preparing that report.

It is obligatory to undertake such task by the students who want to complete their BBA degree successfully. The importance of this issue in these days and the requirement of my course completion lead me to conduct this.

## 1.2 Background of the Study

This report is an outcome of the hard work conducted in MAHFEL HUQ & CO. one of the reputed CA firms of the country. While preparing report on the MAHFEL HUQ & CO. there I have observed and understood many procedures and process of four different concerns of their client. However, I had to maintain the confidentiality of the client. Therefore, I decided to do my report on the basic mechanism of auditing practiced in Bangladesh what I get to know through MAHFEL HUQ & CO.

## 1.3 Objectives of the Study

The main objectives of this report is to analysis the audit procedures of Mahfel Huq & Co. the others objectives are showing below:-

- i.** To know the basic process of audit work of Mahfel Huq & Co.
- ii.** To identify about how to accumulate and process evidences to make an audit report.
- iii.** To make some effective recommendations.
- iv.** To fulfill the partial requirement of MBA program.

## 1.4 Methodology

This report mainly endeavors to show qualitative data that are relevant to serve the objectives of the report. Data have been gathered from primary source. The data collection and inclusion had been conducted by careful review of relevant documents that are available in MAHFEL HUQ & CO. and permissible for usage. Articles, journals, various study materials, newspaper reports, internet, interview of managers and Client's staff, discussion with teammates 3 have assisted in preparing this report. Other than this, the International Standards on Auditing (ISA), International Accounting Standard (IAS), MAHFEL HUQ & CO. website were used as resources.

The preparation of that report which gives the understanding on An Analysis of Audit Procedures of MAHFEL HUQ & Co, the information is collected from two type of sources –

1. Primary Sources
2. Secondary Sources



### 1.4.1 Primary Sources:

- Information collected by working with audit teams.
- Information collected by conversing with engagement partners, audit managers, audit staff and articled students.
- Information collected from pre-audit management presentation by Client's.
- Information collected by observing during work period

### 1.4.2 Secondary Sources:

- Information collected from annual audit report, management audit report, accounting system and audit working papers audited by Mahfel Huq & Co.
- Information collected from the different publications of the institute of Chartered Accountants of Bangladesh (ICAB)
- Information collected from various files and books like International Standards Of Auditing (ISA)
- Information collected from Internet.

### 1.5 Limitation of the Study;

The objective of the report was to make a thorough study on external audit procedures. On course of my report, though I had the opportunity to avail many facilities, I also had to face numerous obstacles can be named as limitation of the study. A few of them are as follows –

#### **Firm's Code of conduct:-**

In order to maintain firm's secrecy and confidentiality the firm restricts its information which did not allow me to provide in-depth information of the firm's audit procedures.

#### **Limitation in practical Environment:-**

Due to my lack of my practical knowledge, I have limited scope of knowing and understanding the whole process of Audit Procedures.

## 2.1 Profile

Name of the firm : **MAHFEL HUQ & CO. Chartered Accountants**  
Date of registration : In 1974.  
Address : 4th Floor, BGIC Tower, 34 Topkhana Road Dhaka-1000,  
Bangladesh.  
Tel / Email/ Contracts : +880-2-9553143, Email: [info@mahfelhuq.com](mailto:info@mahfelhuq.com).

### Name of Partners

Name of Partners, their education and qualification	
<b>Mr. Howlader Mahfel Huq</b>	<b>FCA.</b>
<b>Abu Mohammad Kaiser</b>	<b>FCA.</b>
<b>Md. Mr. Abdus Satter Sarkar</b>	<b>FCMA, FCA.</b>
<b>Wasequl H Reagan</b>	<b>MSc. (MBS, UK), ACA (ICAEW), FCA (ICAB).</b>

## 2.2 Vision

Vision of the firm is- “We go beyond the traditional auditor and client relationship by becoming your Trusted Business Advisor.”

## 2.3 Mission

**Mahfel Huq**’s mission is- “To become the most respected professional services firm by providing unmatched client services. The sensitive and competitive nature of proprietary information and the maintenance of trust demand it. We have built our success on such principles. We do our utmost to earn-and keep-client trust.”

## 2.4 Values

**Mahfel Huq**’s follows the values of their affiliated network Baker Tilly. According to their profile manual, it is stated that “Our culture is driven by the Baker Tilly Internal core values:

- ✓ To lead by example
- ✓ To deliver quality services with integrity
- ✓ To communicate openly, to act ethically

- ✓ To foster a community built around civic responsibilities and teamwork.

We are passionate about helping our clients, while at the same time developing our people's potential.”

## 2.5 Service Offered

**Mahfel Huq's** provides quality services to a diverse and wide range of clients in the private and public sectors in Bangladesh. It also provides services to international development agencies and expatriate consultants working in different projects. The services are:

### ➤ **Audit & Assurance**

- ✓ Statutory audit
- ✓ Internal audit
- ✓ Special audit
- ✓ Cost audit
- ✓ Compliance audit
- ✓ Forensic audit
- ✓ Management audit
- ✓ Performance audit
- ✓ Interim audit
- ✓ Review engagement
- ✓ NGOs audit
- ✓ Donor audit

### ➤ **Tax and legal advice**

- ✓ Capital gain tax
- ✓ Designing VAT Management System and Compliance Audit
- ✓ Tax compliance and preparation of various tax returns
- ✓ Assistance in handling queries & requests for information from tax authorities
- ✓ Tax assessments and appeals
- ✓ Preparation of income tax returns

- ✓ Import Duty and Customs cases
- ✓ Inheritance tax planning
- ✓ International tax services
- ✓ Tax effective remuneration planning
- ✓ Tax investigations

➤ **Advisory**

- ✓ Formation, incorporation, liquidation and winding up of companies
- ✓ Preparation and filing of Annual Return
- ✓ Preparation of AGM minutes
- ✓ Preparation of Directors' minutes
- ✓ Formation and registration of companies and close corporations
- ✓ Maintenance of statutory records
- ✓ Conversions of companies and close corporations
- ✓ Amendments to and registration of statutory details
- ✓ Increase of share capital
- ✓ Change of company name
- ✓ Change of Articles & Memorandum
- ✓ Preparation of Special resolutions
- ✓ Advice on secretarial matters relating to the Companies Act.
- ✓ Management of Litigation

✓ Management of Legal Disputes

✓ License Issues;

➤ **Consultancy**

✓ Management Accounting Services

✓ Management Consultancy

✓ Structured financing advisory

✓ Business planning and project feasibility studies

✓ Standard operating procedures (SOP)

✓ Fixed assets management

✓ Accounts receivables management

✓ Payroll management

✓ Project appraisal

✓ Inventory Management

✓ Performance measurement

✓ Business Valuation

✓ Process Improvement Services

✓ Cost Management Services

➤ **Outsourcing**

- ✓ Accounts payable processing
- ✓ Payroll and payroll tax processing
- ✓ General ledger and financial statement processing
- ✓ Accounting services
- ✓ Human resource support
- ✓ Preparation of management accounts and management information systems
- ✓ Preparation & Maintenance of books of accounts
- ✓ Support in day to day Transaction Processing
- ✓ Book keeping and preparation of final accounts

➤ **Others**

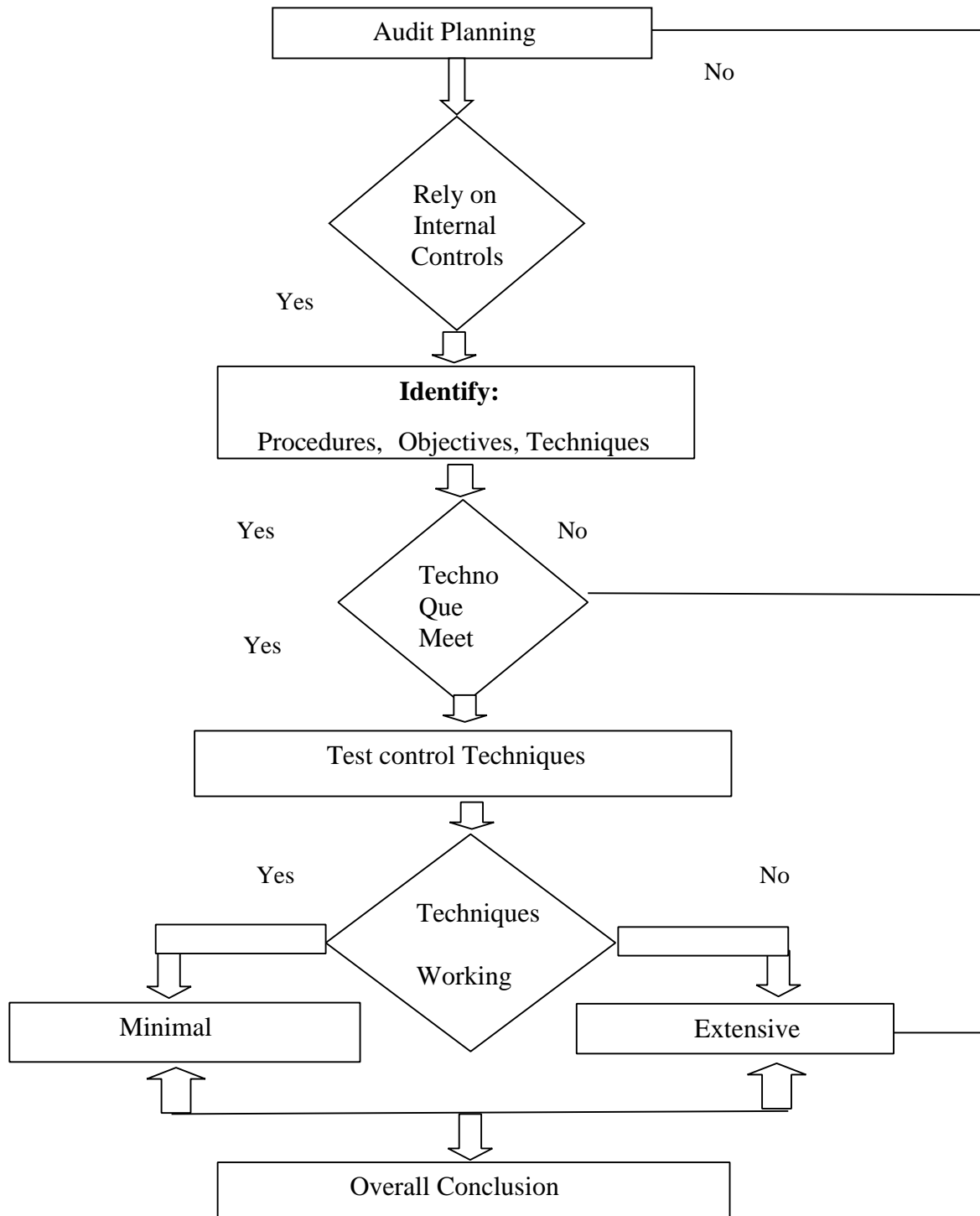
- ✓ Accountancy and management training
- ✓ Data processing with computers
- ✓ Privatization consultancy (includes pre-privatization review, restructuring, valuation in particular and privatization assistance in general)
- ✓ Other accounting ancillary services including investigation, internal and management audit
- ✓ Micro-finance consulting

Sectors in which the above services are provided by Mahfel Huq's:

<b>Manufacturing</b>	<b>Commercial Service</b>	<b>Finance</b>	<b>Energy and Telecommunications</b>	<b>Not for profit Organization</b>
Apparel	Courier and Cargo Services	Banking	Oil and Gas	Non-Government Organization
Chemical and Process		Investment	Power	Charitable
Engineering	Hospitality	Insurance	Telecommunication	Organization
Pharmaceutical  Jute  Textiles		Bank	Mining	School

**Source:** List of clients and EOI of Mahfel Huq & Co.

## 2.6 MAHFEL HUQ'S Audit Linkage



Source: Audit Practice Manual of Mahfel Huq & Co.



### 3.1 Definition of Audit

The International Auditing Practices Committee (IAPC) of International Federation of Accountants (IFAC) defines audit as: “The independent examination of the financial information of any entity, whether profit oriented or not, and irrespective of its size, or legal form, when such an examination is conducted with a view to expressing an opinion thereon. The term financial information encompasses financial statements”.

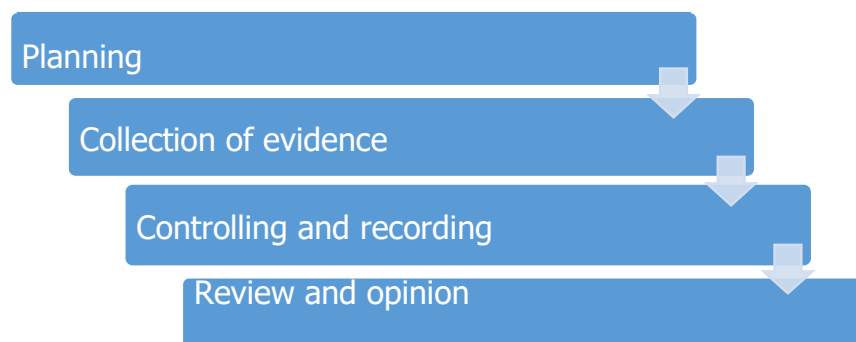
### 3.2 Regular Audit Practice in Bangladesh

Audit is a systematic process, which is more or less same in every country. The basic differences are in the rules and regulation that every country has to follow not in the steps taken to conduct audit. There are various types of auditors, for example: internal, external, government and forensic auditor and according to the engagement the works differ. Auditor has to gather auditing evidence to evaluate the reliability of the accounting records. He has to judge whether the information presented is logical and reasonable. Examples of auditing procedure can be, checking the raw material buying process of the company, how the company maintains the payables and receivables accounts, internal control system of the concerns etc.

### 3.3 Audit Process by ICAB

Institute of Chartered Accountants of Bangladesh (ICAB) is the regulated body for the audits in Bangladesh. Audit Practice Manual (APM) is known to be the bible for auditors. Everything is written in the manual and auditors have to follow that. Audit procedure is summarized in a part of APM. It describes four steps. They are discussed below:

**Figure 1: Audit Steps**



**Source:** Audit Practice Manual of Mahfel Huq & Co.

### 3.3.1 Planning

Planning is the key factor for audit. In most of the time, auditors forget to do some checking what they have not planned. Moreover, an audit might take too long to complete if it is not properly planned. According to the International Standard of Auditing 300, audit has to be planned. In Bangladesh, International Standards of Audit (ISA) is followed which has compliance with IAS. According to the Audit Practice Manual of Bangladesh, planning helps the auditor to:

- Allocate proper time and budget needed for audit.
- Accurately organize and accomplish the audit engagement by dividing the work among the engagement team members according to their skills and competence.
- Identify audit risks.

International Standards of Auditing (ISA) also emphasizes the importance of standard documentation for clients planning memorandum. Planning memorandum is prepared according to the envisaged audit strategy and is based on cumulative audit knowledge and experience as well as important matters, which have been brought to the attention of the auditors. There are other information's also which is provided under planning documentation. Planning document includes about the company and its business.

- What the entity does?
- How it conducts its business?
- What are the risks and where?
- How the auditors are going to audit the company?

#### **Reason for Panning:**

#### **Figure: 2 planning reason flowchart**

Requirement of ISA

Key to successful Auditing

#### **Factors of Planning:**

##### **3.3.1.1 Assessment of Risk and Materiality**

Risk and Materiality is the 1st step of planning. They are the two principal procedure of planning.

□ **Risk:**

The two important risks in International Standards on Auditing (ISA) are:

- ISA 315: Understanding the entity and its environment and assessing the risks of material misstatement.
- ISA 330: The auditor's procedures in response to assessed risks.

These ISAs are more demanding than the previous standards to understand the depth of client's systems and operation.

□ **The Nature of Risk:**

Audit risk may arise from the business environment in which the entity operates. It may arise from the operation of the entity's control system or from the failure of audit procedures including the sampling risk. The third component cannot be eliminated. Sampling risk will always be there. However, the purpose of the manual is to minimize that. There are few types of risks found, which are: Business risk, Audit risk, Inherent risk, Control risk, Detection risk

□ **Materiality:**

According to the IASB 'Framework for the Preparation and Presentation of Financial Statements' materiality is, 'Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful'.

□ **Materiality affects audit work in two ways.**

- 1 It is one of the factors, which influences the nature, and extent of the tests of detail.
- 2 It influences decisions as to whether or not an auditor should seek adjustment for actual and projected errors and for assessing the significance of areas of disagreement on judgmental matters.

Accounts that are free from 'materiality' are considered 'true and fair'. In general, the level of materiality is relative to the size of the business. However, some items might be material by their nature, regardless of magnitude. So, in this stage of audit process all planning are done keeping the risk and the materiality issue in mind.

### **3.1.1.2 Analytical Review**

International Standards of Audit (ISA) 520.2 states that the auditor should apply analytical review procedures as risk assessment procedures to obtain an understanding of the entity and its environment and in the overall review at the end of the audit.

**Analytical review may be relevant to three distinct but interrelated stages of the audit:**

- The planning stage;
- Extensive analytical review as a substantive test, and
- The final stage – as part of the critical review of accounts.

According to the Audit Practice Manual, these separate stages should not be considered to be mutually exclusive, but part of a continuous process of review.

### **3.1.1.3 Test of Control**

International Standards on Auditing (ISA) has made it mandatory to do the test of control. It is required to check the internal control system of the client. For doing a plan, the test controls are also considered. According to Audit Practice Manual the reason for test controls are:

- ✓ As part of understanding the entity and its environment, it is a requirement to evaluate the design and implementation of all controls relevant to the audit.
- ✓ Evaluating the design and implementation of controls requires more than just enquiry; further work such as inspecting documents or tracing transactions through the system is required.
- ✓ Testing of the operational effectiveness of internal controls (compliance testing) is mandatory where: the risk assessment includes an expectation that controls are operating effectively, or substantive tests alone do not provide sufficient evidence of their operation.

## **3.3.2 Collection of Audit Evidence**

### **3.3.2.1 Audit Sampling**

According to the Audit Practice Manual, The question of how many items to test has always been a debatable subject. It is far better to design tests directly relevant to the client rather than to merely 'fill in the forms'. Tailoring or drafting of programs using the APM as an aide-memoire is therefore encouraged. Clearly, any sample must be representative of the whole population and it must be sufficiently large to enable credible conclusions to be formed. The exercise of judgment must

ultimately determine the sufficiency of sample sizes. The use of inherent risk factors, materiality and population characteristics may give a useful theoretical starting point but ultimately judgment must prevail. The standard risk model does at least provide a benchmark against which to assess the reasonableness of your judgment.

### **3.3.2.2 Evaluation of Errors**

According to the Audit Practice Manual (APM), Errors found in the performance of audit tests must be evaluated to determine their impact on the population being tested and on the accounts as a whole. Evidence suggests that, at times, auditors have difficulty in making this evaluation.

### **3.3.3 Controlling and Recording**

This part of audit is nothing but the application of the planning stage. This is the core fieldwork stage where all the assessments and the other aspects are considered. The evidence collected are evaluated based on these assessments and then recorded. The risk assessments and other factors are given below:

#### **3.3.3.1 Assessment of Risk and Materiality**

##### **Risk Assessments:**

There are two types of risk assessments found in Audit Practice Manual. They are:

- **General risk assessment:** General risk mainly comes from the commercial and regulatory environment of the entity. It is affected by the integrity of the management and the business risk too. This assessment should assist in determining the riskiness of the engagement as a whole.
- **Specific risk assessment:** According to the Audit Practice Manual two objectives of the specific risk assessment are:
  - It may be used in the context of the very small company to assess the extent to which the full audit program approach can be foregone in the particular circumstances of the audit in question. This approach must always be documented and justified, not simply applied without reason; and
  - It may be used to pull together the various risks and consider their overall impact on a particular area of the financial statements. This helps to concentrate the audit work on areas of audit significance, ensuring that the bigger picture is not lost through concentration on individual risks.

**Materiality:****Determining Materiality:**

A guide for determining the level of materiality is set out below. It is guideline only. The level of materiality is a matter for professional judgment.

TK	Profit before taxation parameters	Turnover and total assets parameters
0-5 Crores	10%	3.0%
5 Crores 1 to 10 Crores	10%	2.5%
10 Crores 1 to 20 Crores	10%	2.0%
20 Crores 1 to 56 Crores	10%	1.5%
Over 56 Crores	10%	1.0%

**Source:** Audit Practice Manual of Mahfel Huq & Co.

**Other Facts:****3.3.3.2 Reliability Factor**

According to the APM, The standard model used in this manual can be expressed as:

$$\text{size} = \frac{\text{Population value minus Items above Tolerable error minus Key items Sample}}{\text{Tolerable Error}}$$

$$\text{Sample size} = \frac{\text{Adjusted Population Value}}{\text{Tolerable Error}}$$

By using the normal distribution, it is possible to express confidence in sampling results in the form of risk factors. The reciprocal of a risk factor is a reliability factor and these form the basis of the sampling method. When sampling is undertaken, the factor relevant to the particular audit test should be recorded on the relevant sample selection planning form. The reliability factor will then be multiplied by a quotient dependent upon whether tests of detail only or tests of detail plus analytical review and/or compliance tests is to be undertaken. The multiple is also different for balance sheet and profit and loss account testing. Details of the multiplier that affects the reliability factor are given on the sample selection planning forms.

**3.3.3.3 Vouching the Total Population**

According to the Audit Practice Manual, It may be that a total population is tested in the audit of very small companies. For example, it may be that a very small company has 12 invoices a year and that it has been decided to examine all 12.

The inherent risk assessment will not be applied, and would make no difference, in these circumstances. The general risk assessment must still be considered because the vouching of all 12 invoices cannot, on its own, provide all the audit evidence that we require forming a reasonable conclusion that all income has been completely and accurately recorded in the company's accounting records.

#### **3.3.3.4 Accountancy Work and Audit Testing**

According to the Audit Practice Manual, Assuming that the ethical issues have been properly addressed, it may be possible to use audit evidence derived from work carried out in the preparation of the accounts. Such accountancy works must have been properly planned with specific audit objectives in mind, been properly controlled and recorded and subjected to adequate review.

In such circumstances it may be that sufficient audit evidence can, in respect of certain assertions, be obtained to obviate the need for further detailed testing. Remember, however, that such audit evidence will not provide evidence of, for example, completeness, continued existence or title, thus still requiring top up audit work to be done.

#### **3.3.4 Review and Opinion**

This is the final most stage of the audit procedure. Here, the full report is discussed with the management and they give their feedbacks. Some observations might be disclosed because of this discussion. After this, partner of the Chartered Accountants deals with the overall audit and form an opinion. According to the Audit Practice Manual, some example for checklist can be as follows:

- Partner completion
- Audit completion
- Audit standards review questionnaire
- Internal control system questionnaire  Critical review of accounts questionnaire  Justification of audit report etc.

The first task of the auditor is to get answer about the review checklist. If the answers satisfied the audit team and partners, they may form unqualified opinion about the client. In other cases, they may opinion other than unqualified opinion.

A conclusion should be drawn for each audit area. This is vitally important. Not only should the summary sheet be concluded upon, but also for each main test within each area, the relevant working paper should state:

- The aim of the tests;
- The work performed;
- The results obtained, and
- The conclusion reached

## 4.1 Audit Sequences of Mahfel Huq & Co.

The APM is a guide book that extensively describes the possible procedures that an auditor should follow while working on any particular client.

### 4.1.1 Engagement Procedure

Before the main procedure starts, it is necessary to know the client types of the firm. Different clients are there in **MAHFEL HUQ**. Clients can be new, who are taking service from **MAHFEL HUQ** for the first time. Clients can be the existing one, who wants to take the service again.

Different types of engagements are described below:

### 4.1.2 Engagement with New Clients

There are few stages when it comes to the new clients. The stages are:

-Proposal making from **MAHFEL HUQ**: In case of new client, clients generally give circular for proposal from the firm. Sometime they want direct proposals from the firm. It happens when they choose the firms of their own choice. When they take direct proposals from the firm, **MAHFEL HUQ** mentions the cost of conducting the audit and the time needed for the audit. The company describes the area of audit and attaches it.

-Proposal letter sent to the client by **MAHFEL HUQ**: After reviewing the total proposal and finalizing the financial and technical terms, **MAHFEL HUQ** sends the proposal letter to the respective client. In addition, it is mentioned that the charges and time is an approximate value, which can vary.

-Proposal Acceptance and the letter of contract: In case of circulation, company receives more than one proposal letter and they select one particular firm. However, when directly firm is chosen then after getting the proposal letter, company review the letter and if they have no issue, then finalize it and send a letter of contract.



Confirmation Letter: After receiving the letter of contract from the company, MAHFEL HUQ sends them a confirmation letter.

#### 4.1.3 Engagement with Existing Client

In case of existing client, the procedure is more simple and easy. They have to send the letter of appointment. In this letter, they show their willingness to take MAHFEL HUQ again this year. Audit fees can vary from the last time. They also send appointment letter and if MAHFEL HUQ wants to work, they accept it and send the confirmation letter.

#### 4.1.4 Directly Appointed by the Clients

Interested clients send appointment letter directly to the firm. They include the terms and conditions in the appointment letter. After reviewing them if MAHFEL HUQ finds it profitable for them then they accept it and send the confirmation letter to the client.

#### 4.1.5 Audit Procedure

After finalizing the engagement with the respective client, then it comes to the actual process of auditing. MAHFEL HUQ mainly follows the international standards of auditing, as it is an independent member of Baker Tilly. However, it follows all the steps followed in Bangladesh. The steps are:

#### 4.1.6 Identify Overall Goals

MAHFEL HUQ follows International Financial Reporting Standards (IFRS) and International Auditing Standards (IAS) in forming reports. On the other hand, to check the financial statements and other issues MAHFEL HUQ follows the Generally Accepted Accounting Principles (GAAP). Identifying the overall goals is the first step for the auditing team. Some issues are considered while identifying the overall goals. They are finding the errors, finding the irregularities and finally the efficiency of the company. The details are discussed below:

### **1. Errors:**

For providing reasonable assurance, auditors have to find errors occurred in accounts. This is the part of planning from the audit-practicing manual. Unintentional misstatements are considered error here. Material error detection is the first and foremost consideration in identifying overall goals. The audit team has to find out the existence of asset and liabilities. They have to find out the accuracy of recording date, balance. Errors may arise for various reasons. Gathering and processing of the accounting data might be wrong from the financial statements. Accounting estimates can be incorrect and finally errors may occur because of the misapplication of the accounting principles.

### **2. Irregularities:**

Most important thing in maintaining accounts is to maintain the consistency. Irregularities are related with the risk and materiality of the accounting manual. Any irregularity, which might be material, needs to be find out in this stage of audit.

### **3. Efficiency:**

Efficiency is the key element of audit. Auditors have to audit a full year financial statement in a very little span of time. This has to be ensured by this stage. There can be various ways to find out the efficient way of doing the audit. Firstly, for the existing clients some members of the previous team can be sent. Audit team has to be combination of different type of people. Skills should be different but they have to have the mentality to work together for one goal.

#### **4.1.7 Gather and Evaluate Initial Information**

Second step of audit is to gather and evaluate initial information. Every detail about client is very important for the auditors. Knowing the basic business, how it is operated and major buyer seller information; these are the very basic to start with. The activities of this stage are given below:

**1. Understand the business:** Firstly, auditors have to understand the industry of the company and the nature of the company. With this, they will be able to know the objectives, strategies and the related risks too. After that, they will find out the external factors and the financial reporting framework of the company. The measurements, financial performances and the accounting policies will be focused also. Finally, the internal control has to be checked. The risk will be minimum if the internal control is strong. Sample size depends on the strength of the internal control. As per ISA-610, audit team can take help from the internal auditors

**2. Consider internal control structure:** To understand the internal control system it is very essential to understand and assess the internal auditing. For this, auditors had to evaluate and test the work of internal auditing. It needs to be checked if the internal auditors are technically sound or not, there work is properly reviewed and supervised by someone efficient, report consistency etc. The demo questionnaire for the internal control is given below:

**Checklist:**

Please complete the following questionnaire by ticking the appropriate box. Where the answer is “No” and where you feel that a “Yes”, “No” or “N/A” does not answer the question adequately, please provide further details on a separate sheet.

<b>Yes No N/A</b>		
<b>1. ACCOUNTING PRACTICE</b>	<b>Yes</b>	<b>No</b>
(a)Is the system of internal control such that proper accounts are produced?		
(b)Are accurate periodic management accounts prepared?		

(c)Can the accounts be produced simply by extracting figures from the ledgers or is it necessary to analyze and adjust ledger figures?		
(d)Is the basis of accounting consistent with that of the previous year?		
<b>2. CASH &amp; CASH EQUIVALENTS (1)</b>		
(a)Is access to cash area strictly restricted to others?		
(b)Is there a system of periodic surprise cash count? If so how often carried out and by whom?		
(c)Whether Fidelity Guarantee Insurance coverage obtained for Cashier?		
(d)Are Cashiers prohibited from performing bookkeeping duties?		
(e)Does the cashier prepare a Daily settlement Report duly checked and signed by a Managerial Staff?		
(g)Whether recovery of loan in cash used for office expenses without depositing the same into Bank?		
(h)Whether Cash Balance agrees with the balance of General Ledger and checked by responsible officer daily?		
(i)Whether cask is kept under dual control?		
(j)Whether Cash-in-Safe policy has been taken with adequate limit of sum-insured?		
(k)Whether cash-in-transit policy has been taken with adequate limit of sum insured depending on times and level of regular cash carried?		
<b>3. CASH &amp; CASH EQUIVALENTS (2) Yes No N/A</b>		

(a)Whether all Bank Reconciliation Statements are prepared on a timely basis and properly reviewed by a responsible person not associated in preparation of bank reconciliation statements		
(b)Whether persons responsible for passing entries for bank transaction are restricted to banking correspondences?		
(c)Whether Banking correspondences are directly addressed to Managerial staff?		
(d)Whether jobs related to Bank reconciliation are allocated in such a way that job done by one employee is automatically checked by another staff / officer?		
(e)Whether balance certificates are obtained from the banks of all accounts at least at the year-end?		
(f)Whether all material items shown as being out-standing on the bank reconciliation statements are accounted for or cleared on a timely basis?		
<b>4. INVESTMENTS</b>		
(i)Are purchases and sales of securities approved by appropriate authority of the Bank?		
(ii)Whether security scripts are checked upon receipt of the same and preserved at safe custody of the Corporation?		
(iii)Whether direct control is exercised over physical custody of Investment scripts?		
(iv)Whether a subsidiary ledger is maintained showing full particulars of Investments?		

(v)Whether all documentation for purchases and sales are preserved by the Bank?		
(vi)Whether separate persons are responsible for accounting, physical custody, trading and approval of investments?		
(vii)Whether aggregate balance appearing in Investment subsidiary Ledger/ Cards are agreed regularly with the balance/balances appearing in General Ledger as a matter of regular practice?		
(viii)Whether periodic reconciliation is prepared for physical existence of Investments and that appearing in General Ledger of the Bank?		
(ix)Whether incomes including original cost of investments are collected in due course or on maturity and properly accounted for?		
(x)Whether responsible officials properly verify ownership / transfer of investments?		
(xi)Whether all income on investments is accrued at the year-end and properly accounted for?		
(xii)Whether adequate provision has been made for decrease in the market value of investments, loss of investments, and non-realization of investments due to introduction of new law?		
(xiii)Whether costs of investment are verified with the market quotations and differences, if any are ascertained at the year-end and properly accounted for? Or properly disclosed in the Accounts?		
<b>4. FIXED ASSETS Yes No N/A</b>		
(i)Whether the Organization has any established policy in acquisition and disposal of Fixed Assets?		

(ii) Are budgets for capital expenditures approved by the Board of Organization?		
(iii) Are approved budgets communicated in writing to:		
i) Purchase Department?		
ii) Accounts Department?		
iii) Branch offices?		
(iv) Are written authorizations required for incurring capital expenditures for items included in the Budget?		
(v) Is the authority to incur capital expenditures restricted to specified officials?		
(vi) Are purchases of capital items subject to same control measures as are applicable to purchases of stores, etc.?		
(vii) Are receipts of capital items subject to same procedures as applicable to stores etc.?		
(viii) Is there proper check to see that amounts expended do not exceed the amount authorized?		
(ix) Are supplementary authorizations required for excess expenditure?		
(x) Is there an established procedure for moving any capital items from one location to another?		
(a) Is written authority required for		
- Scrapping of fixed assets?		
- Selling of fixed assets?		

(b)Is there authority to permit scrap/sell of fixed assets restricted to specified officials?		
(c)Are limits specified are this regards?		
(d)Are sales of fixed assets subject to same procedures as are applicable to sales of stores, etc.?		
(xi)Are reports issued promptly in respect of		
(a)Units sold?		
(b)Units scrapped?		
(c)Units moved from one location to another?		
(xii)Are fixed assets under construction		
(a)Subject to separate control account in General Ledger?		
(b)Controlled by job number?		
(xiii)Is expenditure on wages, materials and stores charged to capital account on a reasonable basis?		
(xiv)Is there any official responsible for ensuring that allocation of expenditure between capital and revenue is in conformity with accounting policy?		
(xv)Is a register of all fixed assets (including fully depreciated assets) maintained?		
(xvi)Is the register regularly written up throughout the year?		
(xvii)Is the register periodically tattled with the financial account records?		



(xviii)Is the following information available in the register?		
(a)Supplier’s name		
(b)Date of purchase		
(c)Cost (including additions, improvements, exchange rate adjustments etc.		
(d)Location and identification number		
(e)Rate of depreciation and estimated life.		
(f)Accumulated depreciation and depreciation charge for the year		
(g)Estimated salvage value		
(xix)Is there a list of title deeds for the landed properties and buildings?		
(xx)Are title deeds of properties kept in safe place?		
(xxi)If they are lodged as security, are certificates obtained to that effect periodically?		
(xxii)Are registration books of vehicles periodically verified?		
(xxiii)Are fixed assets physically verified periodically?		
(xxiv)Is the ownership of the fixed assets properly checked by a responsible officer of BIWTC		
(xxv)Is there a written procedure for such verification?		
(xxvi)Does the procedure provide for verification/ confirmation of fixed assets with third parties?		
(xxvii)Are reports prepared on such verification?		

(xxviii) Do such reports indicate damaged obsolete items of fixed assets?		
(a) Are discrepancies disclosed by such reports investigated?		
(b) Are the records and financial accounts corrected with proper authority?		
(xxix) Are damaged/obsolete items disclosed by such reports, removed from the records and financial accounts with proper authority?		
(xxx) Is there satisfactory control over the acquisition and write off of such items?		
(xxxi) Are there physical safeguards against theft or loss of tools and other movable equipment?		
(xxxii) Are fixed assets shown at their original cost?		
(xxxiii) Is there a plant register which is periodically agreed with		
(a) Assets on hand?		
(b) Financial accounts?		
<b>(5) Insurance Yes No N/A</b>		
(xxxiv) Are the following risks covered in respect of buildings and machinery:		
a) Fire		
b) Strike, riot and civil commotion		
c) Flood		
d) Earthquake		

(xxxv) Does the official, who decides on the value for which policies are taken, review periodically the adequacy of the insurance cover?		
A) Is there loss-of-profits insurance cover?		
B) Is there machinery-breakdown insurance cover?		
C) If the answer to (a) or (b) is negative, is it due to a specific decision taken by senior officials?		
(xxxvi) Is there an official who decides on the value for which policies are taken?		
(xxxvii) Are the fixed assets insured on reinstatement basis?		
(xxxviii) Are major additions and disposals supported by properly authorized vouchers and tested by you?		
(xxxix) Are you satisfied with the principles followed for depreciation of fixed assets including idle assets?		
(xxxx) For fixed assets other than property, are items in the plant register identified with the actual assets?		
<b>6A. OTHER ASSETS Yes No N/A</b>		
(i) Whether unused stock of stationery and stamps are shown as stocks in Balance Sheet?		
(ii) Are all entries properly approved, recorded and adequately documented?		
(iii) Whether unused stock of stationery and stamps are physically checked at the balance sheet date and properly valued at the latest cost price?		

(iv)Whether clearing entries are cleared promptly and transferred to appropriate Accounts?		
(v)Does the systems provide for periodic review and follow-up by officials of the Bank?		
<b>6B. SECURITY DEPOSITS AND PREPAYMENTS</b>		
(i)Whether a periodical review is carried by Internal auditor as to its status?		
(ii)Whether security deposits are received as soon as its purposes are served?		
(iii)Whether refund of such security deposits is authorized by high officials of the Bank?		
(iv)Whether adjustments of security deposit, if any, are regularly checked and reported upon to Management of the Bank?		
(v)Whether adequate provision is made for doubtful deposits, if any?		
(vi)Are the validity and valuation of prepayments satisfactory?		
<b>7. BORROWINGS</b>		
(i)Are proper recordings made in the relevant books and subsidiary Ledger/Cards maintained in respect of each class of borrowings showing full particulars thereof?		
(ii)Whether proper documentation like sanction letters, disbursement advises, etc. is preserved by the Corporation?		

(iii) Are all documentation in support of conversion of borrowings into equity maintained within the knowledge of higher officials of the Corporation?		
<b>8. PAYMENTS</b>		
(i) Whether vouchers prepared, checking thereof approval and disbursements are done by separate persons?		
(ii) Whether supporting are preserved along with payment vouchers or with ready reference for easy tracings?		
(iii) Whether payments made by Branches of the Bank are made as per set rules as to nature of payment and limits?		
(iv) Whether undelivered cheque /PO is lying for unusually long time?		
(v) Whether provisions for acknowledgement are ensured in all cases?		
(vi) Whether higher officials regularly check the payments particularly the large ones and exceptional items?		
(vii) Whether calculation of interest on borrowings is done mechanically and checked by other persons?		
<b>9. Income</b>		
(i) Whether calculation of interest on loans and advances is done mechanically?		
(ii) Whether there are provisions for checking of such calculations done mechanically or manually?		
(iii) Whether calculation of interest, checking and accounting thereof are done by separate persons?		

iv) Whether posting of interest are made to sub-borrowers accounts without delay?		
(v) Whether income receivables particularly from investments are followed up and efforts made for prompt collections?		
(vi) Whether report of income or any receipts are made promptly?		
(vii) Are expenses allowed out of collections on various accounts?		

**Source:** Audit Practice Manual of Mahfel Huq & Co.

#### 4.2 Identify client expectation:

External auditor should always keep the client's expectation in mind. They should perform audit according to it.

#### 4.3 Consider materiality:

There might be small mistakes in accounts. Auditors have to consider if that particular mistake hits the accounts materially or not.

#### 4.4 Assess General Risks

The next step is to assess the general risks of the audits. This is a 'top-down' approach, which focuses on the high-level information. The factors that matter to this step are:

##### 1. Consider impact of extensive factors:

After getting the high-level information, the documentation might extend depending on the level of risk. If the company is risky and the transactions are not reliable then the audit should cover extensive area.

## **2. Establish overall audit approach:**

After deciding the area, auditors decide the overall approach needed to complete it. If the area is extensive, it takes more time and budget. On the other hand, opposite situation happens when it is intensive audit.

## **3. Decide coordination and timing:**

Finally, the coordination and the time is set according to the task.

### **Assess Account Specific Risks**

In this step, auditors find out the risk related to specific account. With the help of APM questionnaire, audit team does the whole work. Specific tasks for this step are given below:

1. Identify accounts and transactions to be addressed.
2. Identify types of financial statement misstatements.
3. Identify risk indicators.
4. Select mitigating controls upon which reliance will be placed
5. Develop procedure to test mitigating controls
6. Assess remaining risk to be addressed by substantive test.

## **4.5 Develop Effective and Efficient Audit Plan**

After specifying all the risks, auditor makes the master plan. In this step effectiveness and efficiency is considered the main issues. In this stage, auditors test the internal control system. If the control systems are strong then they do not go for the substantive tests. The more the strong control the more the test of controls occurs. However, the situation is the reverse in case of substantive test.

## 4.6 Conduct Audit Testing

This is known to be the practical work stage where the auditors using proper methods gather all the audit evidences. Different type of audit tests are performed to validate the evidences. The auditor firstly goes through the documents and makes notes. Then the technical compliance tests are taken to verify the IT systems. Accumulation of audit evidences and the papers are the end result of this stage

## 5.1 Findings:

Audit procedure are designed to detect material misstatements in the financial statement and focus on the financial aspects of transactions and events. In this report on behalf of my I would like to share some of the complication. The findings are discussed below:-

1. An auditor at time misjudge a situation which may cause the auditor to overlook a misstatement in the financial statement and provide their opinion based on that.
2. By their very nature , frauds are intended to be concealed/ hidden by the guilty party and therefore pose a very risk of remaining undetected by the auditors
3. Auditor apply sampling techniques to limit the number of transaction and balances selected for audit testing in order to perform the audit efficiently and cost effectively . The result may not however be representative of the entire population and may fail to detect a material misstatement in the financial statement due to the inability of auditors.
4. Although auditors collect audit evidence from a range of sources, they focus more on external evidence. Too often they have to rely on the representation of management in order to assess the reasonableness of the matters concerning financial statements. This usually difficult to corroborate management representation of appropriateness.



5. When an auditor is engaged with the audit work of a particular client for a long period of time, he/she may suffer from familiarity threat. This is the risk associated when the auditor forms any bond of intimacy or friendship with the management and other employees. Then the risk of the auditor failing to identify or gather any audit evidence drastically increases as the auditor starts to overlook all issue.

## 5.2 Recommendations:

Audit procedure are designed to detect material misstatements in the financial statement and focus on the financial aspects of transactions and events. In this report on behalf of my I would like to share some of the complication that I observed during my preparing report and recommended some solution according to my point of my view. The recommendations are discussed below:-

1. All the situation should be discussed properly with client as well as with the staffs before giving or publishing the final opinions in forming sound professional judgment.
2. Though this is an inherent risk ,auditors can reduce it by applying sounder audit methodology and procedures
3. Auditors need to perform as detailed testing as possible, from the samples they choose out of the entire population of transaction and balances. So the result is more accurate and fair.
4. Internal evidence should also be considered by the management to get more reliable form of audit evidence and for the representation about the appropriateness of their judgments with external evidence
5. To prevent this from happening, there should be more frequent rotation of audit staffs from one client to client. Doing so, the auditors will also be exposed to different industries where he/she will get the opportunity to enhance their knowledge

### **5.3 Conclusions:**

In this report, trying to bring the audit procedures of MAHFEL HUQ & Co. From the engagement process to the review and giving opinion, every single steps are tried to cover up here. Chartered Accountancy is a respected profession in this country and MAHFEL HUQ is a well reputed firm. This firm follows all the regulations and standards set by Institute of Chartered Accountants Bangladesh (ICAB). However, there are many loopholes in the processes. In this era of rapid changing economy, chartered accountant firms are one of the keys to get success. There should be more firms in our country with great quality. Last but not the least, more students should come and explore this field. Without the support of good resources this field will not be able to get strength and to be economically benefitted it is a must.

The Auditing profession has contributed and will be contributing a greater extent, ensuring transparency and efficiency of internal control system of various sector of Bangladesh. The achievement of the auditors will be after having the maximum people of the country be aware of the auditors will be after having the maximum people of the country be aware of their rights and then proper transparency will be set conquering all obstacles.

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### □ Websites

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2. Official of : <http://www.mahfelhuq.com/>
3. Official of : <http://icab.org.bd/com/>

## Appendix

**Ref. MHC/AUDIT/14/2022**

**Date.....**

To  
The Managing Director

.....  
House No. ...., Road No....., Avenue No. ....

**Sub: Audit Engagement Letter for the year ending 30<sup>th</sup> June-202X.**

### **To the Board of Directors or the appropriate representative of Senior Management**

You have requested to audit the financial statements of ..... which comprises the statement of financial position as at 30<sup>th</sup> June-202X, statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be made with the objective of our expressing an opinion on the financial statements.

#### **Responsibilities of directors and auditors**

As directors of ....., you are responsible for ensuring that the company maintains proper accounting records for preparing financial statements which give a true and fair view and have been prepared in accordance with the Companies Act 1994. You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings. We are entitled to require from the company's officers such other information and explanations as we think necessary for the performance of our duties as auditors.

We have a statutory responsibility to report to the members whether in our opinion the financial statements give a true and fair view, whether they have been properly prepared in accordance with the Companies Act 1994 and whether the information given in the directors' report is consistent with the financial statements. In arriving at our opinion, we are required to consider the following matters, and to report on any in respect of which we are not satisfied:

- Whether proper accounting records have been kept by the company and proper returns adequate for our audit have been received from branches not visited by us.
- Whether the company's balance sheet and profit and loss account are in agreement with the accounting records and returns, and

- Whether we have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In addition, there are certain other matters which, according to the circumstances, may need to be dealt with in our report.

We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified, we consider:

- Whether the departure is required in order for the financial statements to give a true and fair view, and
- Whether adequate disclosure has been made concerning the departure.

Our professional responsibilities also include:

- Including in our report, a description of the directors' responsibilities for financial statements where the financial statements or accompanying information do not include such a description, and
- Considering whether other information in documents containing financial statements is consistent with those financial statements.

### **Scope of Audit**

Our audit will be conducted in accordance with the Bangladesh Standards on Auditing issued by the ICAB, and will include such tests of transactions and of the existence, ownership and valuation of assets and liability as we consider necessary. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether proper accounting records have been maintained by the company. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions there from.

The Nature and extent of our procedures will vary according to our assessment of the company's accounting system, and may cover any aspect of the business's operation that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interest of anyone other than the company in mind and that we accept no duty and responsibility to any other party as concerns the report.

As part of our normal Audit procedures, we may request you to provide written confirmation of certain oral representations which we have received from you during the course of the audit on matters having a material effect on the financial statement. In connection with representations and the supply of information to us generally, we draw your attention to section 397A of the Companies Act 1994 under which it is an offence for an officer of the Company to mislead the auditors.

In order to assist us with the examination of your financial statements, we shall request to see all documents or statement, including the chairman's statement, operating and financial review and the directors report, which are due to be issued with the financial statement. We are also entitled to attend all general meeting of the company and to receive notice of all such meeting.

The responsibility for safeguarding the assets of the company and the prevention and detection of fraud, error and non-compliance with law or regulations rests with your-selves. However, we shall Endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law and regulation), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non –compliance as may exist.

(Where appropriate) We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (for example, information provided in connection with accounting, taxation and other services).

We look forward for full co-operation of your staff and we trust that they will make available to us whatever records, documentation and other information that will be requested in connection with our audit.

This letter will be effective for future years unless it is terminated, amended or superseded. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements.

**MAHFEL HUQ & CO.**

**CHARTERED ACCOUNTANTS**

Acknowledged on behalf of

Md. Abdus Satter Sarkar FCMA, FCA.

Name and Title Date:

## Acronyms

<b>CDP</b>	Committee for Development Policy
<b>ISA</b>	International Standards on Auditing
<b>IAS</b>	International Accounting standard
<b>APM</b>	Audit Practice Manual
<b>ICAB</b>	Institute of Chartered Accountants of Bangladesh