

Sonargaon University

Thesis

On

"Audit Procedure of Intraco Refueling Station Limited"

Submitted by:

Md. Ziarul Islam
ID: MBA2203027012
Program: MBA (Major in Accounting)
Semester: Summer-2023

Submitted to:

Department of Business Administration
Sonargaon University (SU)
Dhaka-1215

Submitted for the partial fulfillment requirement of the degree of Master of Business Administration

Date of Submission: 5th September, 2023



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Submitted to:

Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Sonargaon University (SU)

Submitted for the partial fulfillment requirement of the degree of Master of Business Administration

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Letter of Transmittal

5th September, 2023

To
The Honorable Supervisor
Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU).

Subject: Submission of the Thesis

Dear Sir,

Most respectfully to state that, here is my Thesis on "Audit Procedure of Intraco Refueling Station Limited" that you have assigned me to submit as a partial requirement of MBA program. It is very important factor in service sector to survive by successful management. While preparing this report, I tried my best to follow the guidelines you have given me and also gathered knowledge from practical experience. Your heartiest effort has encouraged me to make this thesis as perfect as possible. Without your drive, it might not be possible to prepare this thesis in time. It has enhanced my capability to prepare. It is a great pleasure for me to work on this report I shall be highly grateful if you kindly accept my Thesis.

Your kind approval is solicited

Sincerely yours,

Md. Ziarul Islam
Roll No: MBA2203027012
Program: MBA
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Declaration

I do hereby declare that the thesis entitled **"**Audit Procedure of Intraco Refueling Station Limited**"** embodies the results of my own Thesis, pursued under the supervision of Nowshin Mahmood Tahiya, Lecturer, Department of Business Administration, Sonargaon University (SU).

I further affirm that the report is original and as a whole or any part of this report has not been submitted by any other students for the completion of MBA degree.

Md. Ziarul Islam
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Certificate of Supervisor

I have the pleasure to certify that Md. Ziarul Islam a student of Department Business Administration, bearing Roll No: MBA2203027012; successfully completed his thesis entitled “Audit Procedure of Intraco Refueling Station Limited” under my supervision as the partial fulfillment of the requirements for the award of MBA degree.

I also like to certify that I have gone through the report thoroughly and found it satisfactory for submission to the Department of Business Administration, Sonargaon University, for fulfilling the requirements for the degree of MBA.

He has done his job according to my supervision and guidance. He has tried his best to do his duties successfully. He has pursued the report his own achievement and is not a conjoint work which seems to me original. I think his thesis will help him in the future to build up his career.

I wish him success and prosperity of his life.

Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Acknowledgement

It is indeed a great pleasure and honor of mine to have the opportunity to submit this thesis after four months by the blessings of Allah- The Most Gracious and Merciful.

I convey my deepest appreciations to my honorable supervisor Nowshin Mahmood Tahiya for her continuous guidance and whole-hearted supervision and supporting me in preparing this Thesis. I thank her for being a constant source of inspiration.

I would like to convey my utmost appreciation to Abu Bakker Siddique ACCA, Intraco Refueling Station Limited for his sincere guidance and supervision. My successful completion of Thesis program at Intraco Refueling Station Limited would not have possible without the help of some kind-hearted people.

I would like to show my gratitude towards some of my friends who gave their selfless effort to conduct the study. Finally, I thank my organization, Sonargaon University for giving me the opportunity of self-development through practical experience.

Executive Summary

Internal audit, now a days, plays a vital role for today's corporate world. For continuous improvement of a company internal audit department is very important. Intraco Refueling Station Limited is one of the leading group of companies encompasses large companies. To control the all our concerns and for better internal control, Internal Audit Department is made decentralized. This report, "Audit Procedure of Intraco Refueling Station Limited", is mainly focuses on the role of this department.

This report is divided into nine parts. First chapter contains introduction of the report, objectives, methodology and limitations of the study and scope of the study. Second chapter contains related work which includes the short review and theoretical discussion of this report. Third chapter contains, company profile. Forth chapter contains, my Thesis position and duties. Fifth and the most important chapter contains, the role of the department, SWOT analysis and findings.

Intraco Refueling Station Limited is growing continuously for its unique strategy and plan and Internal Audit Department is facilitating the growth one step further.

Table of Content

SL. No.	Name of contents	Page No.
	Cover Page	**i-ii**
	Letter of Transmittal	**iii**
	Declaration	**iv**
	Certificate of Supervisor	**v**
	Acknowledgement	**vi**
	Executive Summary	**vii**
	Table of Content	**viii**
	List of Abbreviations	**ix**
Chapter 1	**Introduction**	**1-3**
1.1	Introduction	**2**
1.2	Objective of the Thesis	**2**
1.3	Methodology of the Thesis	**2-3**
1.4	Limitations of the Thesis	**3**
Chapter 2	**Literature Review**	**4-6**
2.1	Literature Review	**5-6**
Chapter 3	**Background Information of Intraco Refueling Station Limited**	**7-10**
3.1	History	**8**
3.2	Company Profile	**8**
3.3	Vision, Mission and Values	**8-9**
3.4	Services Provided by Intraco Refueling Station Limited	**9-10**
3.5	Operational Organogram of Intraco Refueling Station Limited	**10**
Chapter 4	**Audit Procedure of Bangladesh**	**11-16**
4.1	General Definition of audit process and procedure	**12**
4.2	Audit process and procedures followed in Bangladesh	**12-16**
Chapter 5	**Audit Procedure of Intraco Refueling Station Limited**	**17-29**
5.1	Engagement procedures followed by INTRACO REFUELING STATION LIMITED	**18-20**
5.2	Audit Procedures	**20-29**
Chapter 6	**Findings and Recommendations**	**30-32**
Chapter 7	**Conclusions**	**33-35**
7.1	Conclusions	**34**
	References	**35**

List of Abbreviations

ACCA	Association of Chartered Certified Accountants
APM	Application Performance Monitoring
BAS	Bangladesh Auditing Standard
BIWTC	Bangladesh Inland Water Transport Corporation
BSA	Bangladesh Standard of Auditing
BSEC	Bangladesh Security Exchange Commission
CNG	Converted Natural Gas
GAAP	Generally Accepted Accounting Principles
IASB	International Accounting Standards Board
ICAB	The Institute of Chartered Accountants of Bangladesh
ISA	International Accounting Standards
ISO	the International Organization for Standardization
LPG	Liquefied petroleum gas
OHSAS	Occupational Health and Safety Assessment Series
PLC	Programmable Logic Controller
SWOT	Strengths, Weaknesses, Opportunities, and Threats

CHAPTER 1

Introduction

1.1 Introduction:

Bangladesh is a developing country. There are some energy resources in this country, such as natural gas. This natural gas resource is under the Ministry of Energy Resources of Bangladesh. Natural gas is the best energy resource. There are some government or non-government organizations for natural gas transmission & distribution. So Intraco Refueling Station Limited is the best for supplying those gas services to customers. This company natural gas service has been serviced ten year ago. The company do the LPG supply also. LPG & CNG service are the best over the country in Bangladesh

Audit procedures are an important area of the syllabus, though candidates often use inappropriate audit procedures to answer questions. The following tips will help you to understand the concepts and write appropriate audit procedures. Intraco Refueling Station Limited is the best in our country for the audit procedure helpfulness

Accounting describes the process of recording and consolidating financial transactions in business. It involves analyzing, reporting, and summarizing financial transactions to organizations, businesses, tax agencies, and regulators. This is usually presented via a financial statement, a concise summary of all the financial dealings over a stipulated period. It provides clear documented information of a company's operations, cash flow, and present financial standing.

High accounting standards improve the credibility of financial statements. These financial statements can range from cash flow statements, income statements, loss statements, balance sheets, etc. This constant and customary method of financial reporting enables shareholders and other beneficiaries of a business to examine the performance of the said business.

Accounting is essential for majorly business and management students. They start the basics of the subject in their lower levels, and some progress to further the subject in their higher studies. During this period of education, there will come a time they will require accounting topics for the thesis. They will need to focus on all the elements of the thesis in accounting and compile topics that will suit their interests.

1.2 Objective of the Thesis:

Board Object:

To know the audit procedure of Intraco Refueling Station Limited of internal work or activities analysis.

Specific Objective:

The specific objective of this report is to evaluate the company and analyze the company performance of Intraco Refueling Station Limited.

1.3 Methodology of the Thesis

The information is collected from two type of sources.

Primary sources are:

- Information collected by working with audit teams.
- Information collected by conversing with engagement Director, audit Managers & audit staff.
- Information collected by interviewing our concerns.
- Information collected by observing during working period.

Secondary sources are:

- Information collected from Annual audit report, management audit report, Accounting system and audit working papers audited by Intraco Refueling Station Limited
- Information collected from the different publications of the Institute of Bangladesh (ICAB).
- Information collected from various files and books like Bangladesh Standards of Auditing (BSA).
- Information collected from Internet.

1.4 Limitations of the Thesis

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

Time Constraint

Thesis period is only for 16 weeks which shorten the task participation on this vast course of auditing practice. I was given with limited responsibility due to lack of my practical knowledge, which limited the scope of knowing and understanding the whole process of audit.

Confidentiality

I have faced the problem of collecting the actual document of internal activities

Financial Constraint

I got too much problem conveyance for the financial crisis.

CHAPTER 2

Literature Review

2.1 Literature Review

Janvrin (2009) in his report titled "An Investigation of Factors Influencing the Use of Computer-Related Audit Procedures" stated that we provide data on the extent to which computer-related audit procedures are used and whether two factors, control risk assessment and audit firm size, influence computer-related audit procedures use. We used a field-based questionnaire to collect data from 181 auditors representing Big 4, national, regional, and local firms. Results indicate that computer-related audit procedures are generally used when obtaining an understanding of the client system and business processes and testing computer controls. Furthermore, 42.9 percent of participants indicate that they relied on internal controls; however, this percentage increases significantly for auditors at Big 4 firms. Finally, our results raise questions for future research regarding computer-related audit procedure use.

Kend (2022) in his report titled "Key audit risks and audit procedures during the initial year of the COVID-19 pandemic: an analysis of audit reports 2019-2020" stated that the purpose of this study is to explore audit procedure disclosures related to key audit risks, during the prior year and the initial year of the COVID-19 outbreak, by reporting on matters published in over 3,000 Australian statutory audit reports during 2019 and 2020. This study partially uses latent semantic analysis methods to apply textual and readability analyses to external audit reports in Australia. The authors measure the tone of the audit reports using the Loughran and McDonald (2011) approach.

Hoffman (2009) in his report titled "Do Strategic Reasoning and Brainstorming Help Auditors Change Their Standard Audit Procedures in Response to Fraud Risk" stated that the Public Company Accounting Oversight Board recently reported that its inspections show that auditors fail to effectively modify their standard audit procedures in response to fraud risk. Prior academic research is consistent with this finding. Our study examines the effects of two interventions on auditors' planning decisions in a high-fraud-risk setting: strategic reasoning and brainstorming in groups. Both interventions are predicted to lead auditors to more effectively modify their planned audit procedures. We use a panel of fraud experts to identify effective modifications to the audit plan of a specific fraud case.

Kang (2019) in his report titled "Does an Audit Judgment Rule Increase or Decrease Auditors' Use of Innovative Audit Procedures" stated that the current audit environment encourages auditors to conduct defensive auditing procedures in lieu of using new, innovative, and potentially more effective audit procedures, due to concerns these procedures may be second-guessed in litigation or by audit inspectors such as the PCAOB. As a result, auditors may prefer traditional "generally accepted" procedures over innovative procedures that are potentially more effective. We test recent proposals that an Audit Judgment Rule (AJR) encourages the use of innovative, and potentially more effective, audit procedures analogous to the similar Business Judgment Rule that affords legal protections to corporate directors. Under an AJR, litigators or audit inspectors could not second-guess auditor judgments, even if they perceive that alternate judgments would have ordinarily been reached, provided the auditor's judgment was made in good faith and in a rigorous manner.

Uckless (2014) in his report titled "Using Virtual Worlds to Simulate Real-World Audit Procedures" stated that it is not uncommon for educators to struggle with providing their students real-world experiences within the classroom environment. This is particularly true when teaching a subject as application-oriented as auditing. This article furthers existing literature on using virtual worlds in the classroom by describing the learning strategies of using a common virtual world application, Second Life, to simulate a physical examination of inventory in a master's-level auditing class. Specifically, this article explores how an inventory simulation exercise can be used within a virtual world to maximize learning objectives focused on critical thinking and professional judgment, project management and teamwork, effective documentation, interviewing skills, and applying auditing standards.

CHAPTER 3

Background Information of Intraco Refueling Station Limited

3.1 History

We started our journey back in 2007 as a Private Limited Company. Initially, we imprinted our footprint with 3 (three) CNG Refueling Stations at Chandpur, Haratoli (in Comilla Zone) and at Narayanganj (in Dhaka Zone). Later on, we converted to a Public Limited Company 2015 with an aim to be listed in BSEC (Bangladesh Security and Exchange Commission). By time our area of business grew and our number of business entities (Conversion, Retest, LPG) has been increased as well. Now, another 5 (Five) subsidiary CNG Refueling Stations have been added to our fleet where we own 95% shares of those companies.

Intraco Refueling is one of the Bangladesh leading CNG Refueling solutions. We started our journey back in 2007 as a Private Limited Company.

We are one of the leading filling station; refueling service providers in Bangladesh, supplying natural gas resources wherever they are required at any time to enhance productivity & prosperity across the country. By maximizing the use of national resources and providing cost-effective solutions that add value to our customers, we are only able to provide quality service for vehicles using natural gas, which is an economical, safe, and environmentally friendly fuel of this generation.

3.2 Company Profile

Company Name:	Intraco Refueling Station Limited
Address:	Hasney Tower (Level-8) 3/A, Kawran Bazar C/A, Dhaka-1215
Contact:	Telephone : (+880) 9639203111
E-mail:	info@intracorefueling.com
Company Started:	2007
Manpower:	208
Refueling Stations:	8
Services :	Refueling, Maintenance

3.3 Vision, Mission and Values

Vision:

Intraco Refueling pursues its mission with the vision of being a Company which contributes to the development of the natural gas sector in Bangladesh, adding a great value to the economy of the country, and contributes to the improvement of the environment, thanks to the increasing use of a clean fuel in replacement of other fossil fuels.

On the way to its vision, Intraco Refueling aims at setting a standard and being a leader in the sector, for what our concerns quality of services, customer satisfaction, management of the aspects of its activities towards environmental protection and healthy and safe work places.

Therefore, the Company basic policy considers professionalism, efficiency and high quality work performance under safe and environmental friendly conditions as one of its prime objectives.

A highly qualified staff has a key role in the implementation of such policy. Members of staff are carefully selected and continually trained to fit to the company profile and implement company goals.

Intraco Refueling considers that management systems complying with major international standards are an essential tool for achieving its objectives. The company has started the process for being certified according to ISO 9001: 2000 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety System).

Mission:

The mission of Intraco Refueling is to design, build, operate and maintain a network of Compressed Natural Gas (CNG) stations for vehicles in the territory of Bangladesh:
Workshops (Conversion Centers) for the conversion of vehicle feeding from gasoline to CNG.

Refueling stations for the supply of CNG to vehicles
The scope includes marketing & sales for conversions and gas supply, aiming at the general public as well as key accounts (private and governmental organizations who operate their own vehicle fleets).

Our concern service provides assistance to our concerns and issues contracts for conversions, including the bank documents for credit payments.

Intraco Refueling considers that management systems complying with major international standards are an essential tool for achieving its objectives. The company has started the process for being certified according to ISO 9001: 2000 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety System).

Values:

We strive to maintain an accident free workplace and we take a leadership position in the protection of the environment, the health and safety of our employees, contractors and the users of our products and the communities in which we operate.

3.4 Services Provided by INTRACO REFUELING STATION LIMITED

Refueling:

Intraco Refueling Station Limited (IRSL), Sister our concern of Intraco Group, since start of its operations, Intraco was keen on establishing standards of security, safety and occupational health as a cornerstone of this vital sector which affects citizens in their daily lives.

Intraco was also keen on establishing highly experienced and knowledgeable technical work force trained to conduct all refueling and maintenance work related vehicles operated by natural gas, the fuel of this era, being economic, safe and environmentally friendly.

Maintenance:

Intraco Technical Service Team consists of Highly Skilled Engineers Trained on the highest Technologies for CNG Compressors, Gas Engine, Generators, Electrical and Mechanical Equipment's among others.

Intraco Technical services and Maintenance provides Regular Service and Maintenance to all CNG Stations as one Stop point for all work while providing Spare parts with very competitive pricing as well.

Technical Service
Technical Services Includes the Below Services:
PLC Services.
Dispenser Services.
Compressor Services.
Engine Services.
Electrical, Electronics and Substation.
Generators and Air Compressor Maintenance.
Spare Parts Supply Local / Foreign.
Regular Service contracts.
Outsource Shift Engineers and Technicians.

3.5 Operational Organogram of Intraco Refueling Station Limited

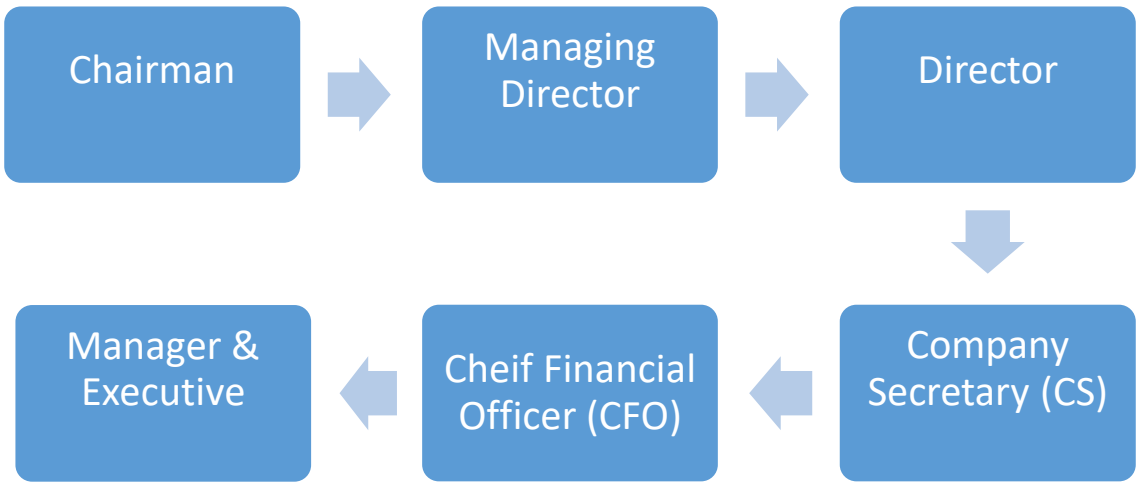


Fig: List of number of current personnel employed in INTRACO REFUELING STATION LIMITED

SL	Personnel designation	Number
1.	Chairman	01
2.	Managing Director	01
3.	Director	01
	Office Staff	
	- Company Secretary	01
	- Chief Financial Officer (CFO)	01
	- Head of Compliance	01
	- Manager	15
	- Deputy Manager	30
	- Senior Assistant Manager:	55
	- Officer/ Executive	90
4	Supporting Staff	15
	TOTAL	208

CHAPTER 4

Audit Procedure of Bangladesh

4.1 General Definition of audit process and procedure

Auditing is a significant part of the company's compliance efforts. Properly executed, audits will enable to identify conduct which may violate the federal and state laws or detect weaknesses in the claim development and submission process. Audits also will enable to appropriately target and measure the effectiveness of its educational efforts, ensure that appropriate corrective actions have been taken and quickly identify problems in the claim development and submission process which give rise to civil or criminal exposure.

AUDIT PROCESS:

It is a sequential order of steps followed by the auditor in the examination of our concern records. The audit process may vary depending upon the nature of the engagement, its objectives, and type of audit assurance desired. The process includes understanding the particular our concern's environment, conducting the auditing procedures and tests, appraising the audit results, and communicating the results to interested parties.

AUDITING PROCEDUER:

It is auditor technique in gathering auditing evidence to substantiate the reliability of the accounting records. The auditor evaluates whether the information presented is logical and reasonable. Examples of auditing procedures are observing assets to verify existence and amount (e.g., fixed assets), collecting independent confirmations from external parties (e.g., bank confirmation), evaluating internal control, appraising management's activities, and obtaining management representations. The audit procedures to be followed on an engagement are indicated in the audit program. The work papers indicate what has been done on the audit.

4.2 Audit process and procedures followed in Bangladesh

The audit firm of Bangladesh are regulated and guided by the Institute of Bangladesh. ICAB has suggested and provided the audit guideline with different subject regarding auditing. Like others it has suggested auditing procedures that can be followed by the audit firm in Bangladesh in its Audit Practice Manual.

Audit process suggested by Audit Practice Manual (APM) may be summarized as follows.

1. Planning.
2. Collection of evidence.
3. Controlling and recording.
4. Review and opinion.

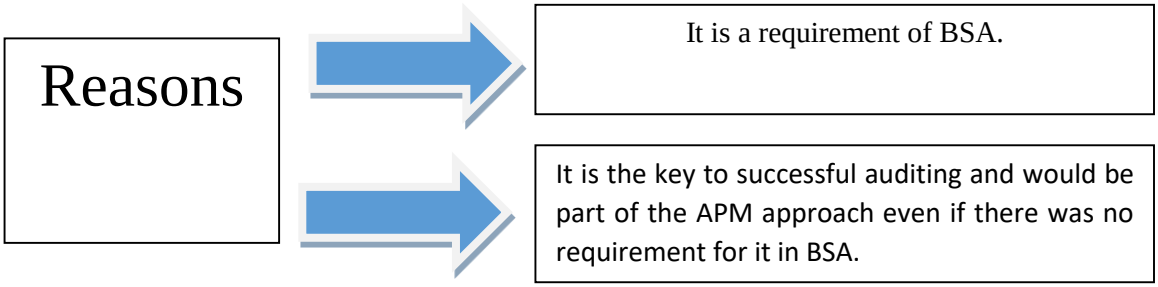
Figure 4.1: Audit Process



Planning:

In order to assist in a disciplined approach to planning and to ensure compliance with BSA, the APM provides documentation enabling a record of planning to be kept, demonstrating the approach adopted for each audit and the reasons for that approach.

Figure 4.2: Reasons for planning



In addition to the standard documentation there should always be our concern-
Specific planning memorandum setting out:
➢What the entity does;
➢How it conducts its business;
➢Where the risks and issues are, and
➢How these will be audited.

These separate stages should not be considered to be mutually exclusive, but part of a continuous process of review. It is probably fair to suggest that analytical review is not as widely used as it could be, particularly in the audits of smaller companies. Some form of final analytical review is generally carried out but, by that stage, it may be of little use in directing the audit towards areas of importance.

Assessment of risk and materiality:
The assessment of risk and materiality are two of the principal planning procedures. The assessment of risk in particular is at the core of the approach to audit set out in the BSA. In theism approach audit risk interacts with materiality and population value to determine sample sizes.

Analytical review:
Analytical review can be a useful source of audit evidence. It may include:
➢A preliminary analytical review
➢An extensive analytical review, and/or
➢A final analytical review.

Tests of controls:
Bangladesh Standards on Auditing (BSA) require a much greater consideration of our concern's system of internal control than was the case under the old standards. Under the old regime the testing of internal controls was entirely optional. This is not the case under BSA. In addition, as before, the auditor may choose to test the effectiveness of controls where this is more effective than relying solely on substantive procedures.

➢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 14 alone do not provide sufficient evidence of their operation.

Collection of audit evidence:
The APM audit programs are comprehensive and designed to deal with most eventualities. However, it is crucial that the programs are tailored to meet particular circumstances of our concern.

Audit sampling:
The question of how many items to test has always been a debatable subject. It is far better to design tests directly relevant to our concern 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 tenable 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.

Evaluation of errors:
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. Audit at INTRACO REFUELING STATION LIMITED.

Controlling and recording:
This section provides detailed guidance on the use of the documentation, including the way in which the forms should be completed for the preparation of a well-documented audit file.

Assessment of risk:
Audit risk is present in the giving of any audit opinion on financial Statements. Elements of audit risk include those arising:

➢from the business environment in which the entity operates;

➢from the operation of the entity's control systems; or

➢from the failure of audit procedures, including 'sampling risk'.

General risk assessment:
General risk relates to the commercial and regulatory environment in which the audit our concern operates. It is also affected by the business risks the entity faces and an assessment of the integrity of management. This assessment should assist in determining the riskiness of the engagement as a whole. The higher the perceived risk, the lower the audit risk that the auditors willing to take and the greater the audit assurance that is needed.

Specific risk assessment:
The assessment of specific risk achieves two objectives:

- 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;

- It may be used to pull together the various risks identified.

Vouching the total population:
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 multi invoices a year and that it has been decided to examine sample basis. 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 multi 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.

Materiality:
BAS 320.3 reiterates the following definition of materiality which is taken from the IASB' Framework for the Preparation and Presentation of Financial Statements'. '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'. 'True and fair' accounts are those free of 'material 'misstatement. For this reason, above all others, an assessment of materiality should always have beamed.

Materiality affects audit work in two ways.

- It is one of the factors which influences the nature and extent of the tests of detail.

- 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.

Recording:
After collecting the adequate sample, it is important to record in double entry systems so that the proper recording of the transaction can be determined. It also helps to observe whether the accounting procedure used by our concern is correct or not and what are the implication of the given journals. BSAs also suggest different procedures for recording the transactions and their treatment regarding situation.
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 work must have been properly planned with specific audit objectives in mind, properly controlled, recorded and subject 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.

Review and opinion:

This section deals with how partner can review the overall audit and form an opinion. APM provides some checklists which can be used to review the overall performance of our concern. Some example for check list 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 check list. If the answers satisfied the audit team and partners, they may form unqualified opinion about our concern. 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 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.

The conclusion section provides the following options:

CHAPTER 5

Audit Procedure of Intraco Refueling Station Limited

5.1 Engagement procedures followed by INTRACO REFUELING STATION LIMITED

The primary goal of Intraco Refueling Station Limited at the time of involving in any audit engagement is to provide the opinion on Financial Statements in accordance with Bangladesh Standards on Auditing (BSA) as well as International Standards on Auditing (ISA). Intraco Refueling Station Limited also seek to provide auditing and management consultancy services that are innovative, efficient and most importantly responsive tithe our concern's needs.

It is another fact that before starting the audit procedure there presents a series of more procedures. For example, audit engagement letter, audit clearance letter, team meeting etc.

Engagement Procedures:

Before discussing the Audit Procedures followed by Intraco Refueling Station Limited, I will try to focus on the engagement procedures through which Intraco Refueling Station Limited is engaged/ recruited.

Our concern to perform the audit. Before starting the audit work, some letters are exchanged between Intraco Refueling Station Limited and our concerns. Intraco Refueling Station Limited faces three kinds of situations in engagement process:

- Engagement with our concern.
- Engagement with existing our concern
- Directly appointed by our concern.

Regular audit activities:

In case of our concern, four letters are exchanged between Intraco Refueling Station Limited and our concern including acceptance letter of appointment at the time of involving with our concern. Following stages are followed by both Intraco Refueling Station Limited and our concern:

➢STAGE – 1: Pre-audit phase:

Before starting the process, a general analysis is performed on the organization to be audited. This way, the audit team can have a better understanding of how processes work and what the entity's objectives are.

The following aspects should be considered here:

Legal framework:

this is the legal context that regulates the company, its actions and the way in which it establishes relations with other organizations.

Internal regulation:

this includes the information generated by the entity itself as a self-regulation mechanism. For example, regulations, agreements, board minutes, resolutions, etc.

Organizational structure: each of the elements that help align all the levels of the organization, such as guiding ideas, mission, principles, values, objectives, goals, processes, methods, technology, finance, etc.

➢**STAGE – 2: After analyzing this company information, it is classified as follows:**

Position of the audited entity.

- Organizational objectives.
- Activities performed.
- Company structure.
- Resources available.
- Industry context.
- Budget.

Audit planning

In this phase of the internal audit, the data collected in the previous stage are used to create an audit plan, which must be agreed with the customer. The audit plan must contain the following information:

- Objectives, scope and criteria of the audit.
- Units and areas to be audited within the company.
- Staff members in charge of the quality of the processes.
- Priority aspects.
- Time and duration of inspections: dates and locations.
- Meeting schedule.
- Confidential requirements.
- Structure and delivery of the final report.

➢**STAGE – 3: Assignment of the audit team:**

The lead auditor must define the staff members who will be responsible for performing each of the audit activities. To make the process as objective as possible, team members must be free from conflict of interest and must not be involved in the activities they are auditing.

Lead auditor: ensures that the audit plan is followed, that activities are effective, and that the previously defined scope is maintained.

Auditors: are in charge of planning and carrying out the assigned tasks. They collect and analyze evidence and draw conclusions. They document the results and write the reports.

➢**STAGE – 4: Conducting the audit:**

This phase of the internal audit begins with an opening meeting, where team members introduce themselves and the plan is reviewed. The methodologies and procedures to be used are also proposed, the necessary resources are defined and the security and emergency procedures are reviewed.

After that, the information collected by the audit team is gathered and analyzed, and it is assessed whether the criteria of the audit plan are being fully complied with.

Once all the evidence is collected, the auditors meet with management and those responsible for the audited functions. At this meeting, the results are presented, disagreements are resolved, and conclusions are discussed.

And to ensure good management of operational risks and include them in the audit, for example, it is advisable to have a technological tool such as our risk management software Pirani, which allows you to associate risks to processes and create controls in a simple way to avoid the materialization of risks or mitigate their impact.

5.2 Audit Procedures

There are seven steps involved in the procedures that come one after another. The procedures followed by the Intraco Refueling Station Limited

Basically inspired by the approaches suggested by ICAB in Audit
Practice Manual. Steps are as follows:

1. Identity Overall Goals
2. Gather & Evaluate Initial Information
3. Assess General Risks
4. Assess Account Specific Risk
5. Develop Efficient and Effective Audit Plan Program
6. Conduct Audit Testing
7. Evaluate and Communicate Audit Result

1. Identify Firm's Overall Goals:

The purpose of Intraco Refueling Station Limited in conducting an audit is to express an opinion as to whether the financial statements are prepared and presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). The Firm's policies on Generally Accepted Accounting Principles are contained in Accounting Standards. The audit team considers these standards in formulating an opinion. In forming an opinion, the audit team also addresses responsibilities for:

- Errors
- Irregularities and other matters
- Efficiency

Errors:

Errors are unintentional misstatements or omissions of accounts of disclosures in financial statements. The audit team is required to design the audit to provide reasonable assurance of detection of material errors. The In-charge of an audit team is responsible to ensure existence or occurrence of asset or liabilities which are rightfully owned by our concerns at given date and recorded completely with accurate balance or value and disclosed properly. Errors may arise for

- Mistakes in gathering or processing accounting data from which Financial statements.
- incorrect accounting estimates arising from oversight or Misinterpretation of facts and;
- Mistakes in the application of accounting principles relating to amount, Classification and manner of presentation or disclosure.

Irregularities and other matters:

This is basically deals with the risk and materiality. Irregularities are basically intentional misstatements or omission of amounts or disclosures in financial statements, including fraudulent financial reporting

and misappropriation of assets. So there is always a risk that material irregularities may occur and not be detected. This risk is increased by the possibility of management's override of internal controls, collusion, forgery, or unrecorded transactions. But this can be reduced by taking some steps regarding detection of irregularities, misstatement etc.

Efficiency:

The auditing procedure should be efficient in manner but that should not exceed the budget of the project or audit engagement. Performing an efficient audit involves:

- Performing front-end risk assessment and planning with adequate Partner and manager involvement.
- If it is a recurring audit, then the same team of previous year can be Appointed
- Designing the combination of audit procedures based on the risk Assessment that will efficiently reduce the risk of undetected material Misstatements to an appropriately low-level.
- Assigning work to adequately trained and supervised persons with Appropriate experience and skill levels.

2. Gather & Evaluate Initial Information:

To conduct the efficient audit, it is important to have clear idea about our concern. For this reason, Intraco Refueling Station Limited, when get engaged in an audit project, it at first request for some basic information of our concern, like what is the basic business of our concern, what is the foundation of the establishment of the business or how the business is being operated, who are the major buyer or seller etc. This information helps to understand the following subjects:

- Understanding our concern's activities and operation
- Considering the internal control structure
- Identifying our concern's expectation
- Considering materiality.

Understand the operation of our concerns:

The auditor understands of the entity and its environment should include information about each of the following categories:

- Industry, regulatory, and other external factors, including the applicable Financial reporting framework.
- Nature of the entity.
- Selection and application of accounting policies.
- Objectives, strategies and related business risks.
- Measurement and review of financial performance.
- Entity's internal control.

Consider internal control structure:

As per BSA-610, audit team can ask for help from internal auditors. Again internal control structure provides an overall idea about the risk that must be considered. If our concern has strong internal control, then the audit risk can be minimized. And this will have an effect on sample size also. But if our concern does not have an internal control system there may exists high possibility of material

misstatement and audit risk, thus increase in sample size. To check internal control an internal control questionnaire is prepared. A standard internal control system checklist is given below:

AUDIT QUESTIONNAIRE:

INTERNAL CONTROL QUESTIONNAIRE (I C Q):

Please complete the following questionnaire by ticking the appropriate box. Where the answers "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.

1. ACCOUNTING PRACTICE :

(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?

2. CASH & CASH EQUIVALENTS (1) :

(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 prepares a Daily settlement Report duly 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?

3. CASH & CASH EQUIVALENTS (2) :

(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?

4. INVESTMENTS:

(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?

5. FIXED ASSETS :

(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:
    a) Purchase Department?
    b) Accounts Department?
    c) 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?

Verification :

(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?

Insurance :

(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?

6A. OTHER ASSETS :

(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?

6B. SECURITY DEPOSITS AND PREPAYMENTS :

(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?

7. BORROWINGS :

(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?

8. PAYMENTS :

(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 cherubs/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?

9. INCOME :

(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?
(viii) Whether commission receivable for various services rendered by the Corporation is consistently followed for all cases and basis is also followed?
Intraco Refueling Station Limited considers the activities of internal auditing and their effect, if any, on external audit procedures. So they try to:

Understand and Assess Internal Auditing:

As external auditors, we should obtain a sufficient understanding of internal audit activities of our concern that assists us in planning the audit and developing an effective audit approach. During the course of planning the audit, we should perform a preliminary assessment of the internal audit function when it appears that internal auditing is relevant to the external auditor the financial statements in specific audit areas.

Evaluate and Test the Work of Internal Auditing:

To use specific work of internal auditing, we evaluate and test the work of internal auditing to confirm its adequacy for the external auditing purposes.

The evaluation of specific work of internal auditing involves consideration of the adequacy of the scope of work and related programs and whether the preliminary assessment of the internal auditing remains appropriate. This evaluation may include consideration of whether:

- The work is performed by persons having adequate technical training and proficiency as internal auditors and the work of assistants is properly supervised, reviewed and documented;

- Sufficient appropriate audit evidence is obtained to afford a reasonable basis for the conclusions reached;

- Conclusions reached are appropriate in the circumstances and any reports prepared are consistent with the results of the work performed;

- Any exceptions or unusual matters disclosed by internal auditing are properly resolved.
- The external auditor would record conclusions regarding the specific internal auditing work that has been evaluated and tested.

Identify our concern's expectation:
As external auditor, we should identify our concern's expectation and design and perform the audit to meet our concern expectation.

Consider materiality:
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. Materiality should be considered by the auditor when:

- Determining the nature, timing and extent of audit procedures; and
- Evaluating the effect of misstatements.

3. Assess General Risks:
The assessment of risk is accomplished using a "top-down" approach. The audit team focuses initially on high level information. The nature and extent of documentation will vary significantly based on an entity's size, complexity, ownership characteristics, and level of risk. The ability to identify, assess, and manage risk is often indicative of an organization's ability to respond and adapt to change. Risk assessment therefore helps organizations to quickly recognize potential adverse events, be more proactive and forward-looking, and establish appropriate risk responses, thereby reducing surprises and the costs or losses associated with business disruptions. This is where risk assessment's real value lies: in preventing or minimizing negative surprises and unearthing new opportunities. The more real-time and forward-looking the analysis of potential risks, the more controllable the achievement of objectives becomes. During audit planning and risk assessment, we obtain initial audit evidence in order to:

- Effectively assess the inherent risk of potential financial Statement misstatements,
- Identify indicators of possible going our concern problems, and
- Identify account specific risk and design an overall audit approach to provide reasonable assurance of detecting Material misstatements.

4. Assess Account Specific Risk:
In this step, audit team has to determine the risk related to specific account like sales, account receivables, payroll and personal file, acquisition and payment cycle, inventory and cash balances. Audit team also can take guideline from the APM questionnaire for the assessment. By having the answers in the questionnaire, audit team can assess how much risks related to that specific account. For example, sales cycle, the normal cycle may be the transaction should be recorded when the product is delivered to customer. But the audit team observed that our concern's sales are recorded when Products are shifted in the carriage. That implies that there exists risk for material misstatement in revenue, account receivables. Accounts. To assess those risks audit team can perform

- Test of control and
- Substantive test of transaction.

5. Develop Efficient and Effective Audit Plan Program:

In this step, Job in charge makes an overall plan about how audit can be performed. The purpose of the overall audit strategy is to develop an effective response to the risk of material misstatement. The auditor considers what they found in preliminary planning activities such as our concern acceptance, ethical position of the audit firm and their understanding of the entity and its environment, including its internal control, to develop an effective and efficient overall audit strategy that will appropriately respond to assessed risks.

The overall audit strategy includes consideration of planned audit responses to specific risks through the development of the audit plan. The overall audit strategy also helps the auditor determine the resources required for the engagement, including engagement staffing. Therefore, at a minimum the following matters should be included in the overall audit strategy:

- Relevant characteristics of the audit engagement, such as
  the reporting framework used in order to set the scope of the Engagement.
- Key dates for reporting and other communications
- Setting of materiality
- Preliminary risk assessment and whether internal controls are to be tested
- Consideration of resources available and how they are to be used.

6. Conduct Audit Testing:

In this stage the field work starts. During the fieldwork phase, audit evidence is gathered byte auditor/s working methodically through the work plan or checklist, for example interviewing staff, managers and other stakeholders associated with our concern's, reviewing our concern's documents, printouts and data (including records of our concern's activities such as security log reviews), observing our concern's processes in action and checking system security configurations etc. Audit tests are performed to validate the evidence

As it is gathered. Audit work papers are prepared, documenting the tests performed. The first part of the fieldwork typically involves a documentation review. The auditor reads and makes notes about documentation relating to and arising from our concern's (such as the Statement of Applicability, Risk Treatment Plan, our concern's policy *etc.*). The documentation comprises audit evidence, with the audit notes being audit working papers.

Technical compliance tests may be necessary to verify that IT systems are configured in accordance with the organization's information security policies, standards and guidelines. Automated configuration checking and vulnerability assessment tools may speed up the rate at which technical compliance checks are performed but potentially introduce their own security issues that need to be taken into account.

The output of this phase is an accumulation of audit working papers and evidence in the audit files.

7. Evaluate and Communicate Audit Results:

Once the auditor has completed gathering evidence relating to the financial statement assertions the audit enters the completion phase. First the sufficiency and appropriateness of the evidence gathered is evaluated. The preliminary assessments of the risk of material misstatement (as identified during the planning phase) are used to evaluate the sufficiency and appropriateness of the evidence collected. The auditor shall obtain sufficient appropriate evidence

in order to reach and justify a conclusion on the fairness of the financial statements. Should the auditor determine that sufficient appropriate evidence was not obtained; additional substantive procedures need to be performed. Once the auditor is content with the sufficiency and appropriateness of the evidence, the completion phase can continue.

The next stage of this phase is to determine the final materiality figure and to evaluate all misstatements identified. The auditor can either accept the planning materiality figure as the final materiality figure or lower it. However, the auditor should never increase the planning materiality figure during the completion phase. The auditor then aggregates the total identified misstatements and determines if it causes the financial statements to be materially misstated.

CHAPTER 6

Findings and Recommendations

6.1 Findings and Recommendation

Audit procedures are designed to detect material misstatements in the financial statements and focus on the financial aspects of transactions and events. Despite of this there are numerous loopholes in the system that undermines the prospects of this glorious profession.

In this report, on my behalf, I would like to share some of the complications that I observed during my working as an audit staff and would like to recommend some solutions according to the point of view. The findings and recommendations are discussed below.

Findings: An auditor may at times misjudge a situation which may cause the auditor to overlook a misstatement in the financial statement and provide their opinion based on that.

Recommendations: All the situations should be discussed properly with our concern as well as with the staffs before giving or publishing the final opinions in forming sound professional judgments.

Findings: Auditors apply sampling techniques to limit the number of transactions and balances selected for audit testing in order to perform the audit efficiently and cost effectively. The results may not however be representative of the entire population and may fail to detect a material misstatement in the financial statements due to the inability of auditors.

Recommendations: Auditors need to perform as detailed testing as possible, from the samples they choose out of the entire population of transactions and balances. So the result accurate and fair**.**

Findings: Although auditors collect audit evidence from a range of sources, they focus moron external evidence. Too often they have to rely on the representations of management in order to assess the reasonableness of the matters our concerning financial statements. This is usually difficult to corroborate management representation of appropriateness.

Recommendations: Internal evidence should also be considered by the management to get more reliable form of audit evidence and for the representations about the appropriateness of their judgments with external evidence.

Findings: By their very nature, frauds are intended to be concealed by the guilty party and therefore pose a very high risk of remaining undetected by the auditors.

Recommendations: Though this is an inherent risk, auditors can reduce it by applying sounder audit methodology and procedures**.**

Findings: Auditors face strict time constraints, above that firm's involve audit staffs in an audit engagement without having prior knowledge of our concern's business. Members' lacking in knowledge about our concern's business, take much of their time to understand and start dealing with our concern.

Recommendations: Before going to our concern, supervisor or in charge should give some brief idea about our concern's business to all the members of the audit team so that they can finish their job in time to provide their opinion on the financial statements.

Findings: Work programs contain step by step instructions to carry out the audit work. Burin most of the cases, work programs are not followed properly, just touch each account head to save time. As a result, auditor's miss some important issues to be discussed.

Recommendations: Work programs must be properly introduced to the juniors/ new students and must be followed as much as possible in each audit engagement.

CHAPTER 7

Conclusions

7.1 Conclusions

In the report, Audit Procedure in Bangladesh: A Thesis on Intraco Refueling Station Limited, I have tried my level best to deliver the shadow of audit procedure that Intraco Refueling Station Limited follows in offering service to its our concern's. It is mainly a step by step process. From engagement to report submission the step is followed with reasonable and professional care and maintaining all rules and regulations and standards set by the ICAB. Intraco Refueling Station Limited is doing a great job with their seamless internal control, disciplinary policies and strong chain of command. Their inflexible ethical moral has earned them a brand status in the market.

Although there are many gaping holes in the policies set by ICAB that undermine the prospects of this glorious profession. In some cases, the auditors of Intraco Refueling Station Limited violate some audit standards and not carry out their audit tasks properly. As a result, the quality of audit work cannot be ensured all the time. But if these loopholes are removed, Intraco Refueling Station Limited.

The auditing profession has contributed and will be contributing a greater extent, ensuring transparency and efficiency of internal control system of various sectors of Bangladesh. The achievement 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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