

A STUDY ON AUDITING PROCEDURES FOLLOWED BY CHARTERED ACCOUNTANT FIRM- G. KIBRIA & Co.

Internship Organization Name

G. Kibria & Co. - Chartered Accountants

Prepared by

Nafisa Nusrat Purba

ID: 163011001

Supervised by

Liliping

Senior Lecturer School of Business

Submitted in Partial Fulfillment of the Requirements for the Degree
Bachelor of Business Administration



5th June 2021

Internship Report Approval Form

Student Name: Nafisa Nusrat Purba

ID No.: 163011001

Major: Accounting

Year: 2021

Mobile Phone: 01982799912

Email: nafisa.nusrat.bba@ulab.edu.bd

INTERNSHIP/PROJECT INFORMATION

Internship Organization: _G. Kibria & Co.

Internship /Project Report Topic: Auditing Procedures followed by G. Kibria & Co.

Term (Tick one):

☐ Spring 2021(YES)

☐ Summer 2021

☐ Fall 2021

SUPERVISOR APPROVAL

(Tick One)

☐ Approved

☐ Not Approved

☐ Partial Re-write

☐ Full Re-write

Remarks (For Not Approved): _____

Signature: Liliping

Date: 06.06.2021

Name: Liliping

E-mail: lili.ping@ulab.edu.bd

Phone:

Plagiarism Declaration

1. I know that plagiarism means taking and using the ideas, writings, works, or inventions of another as if they were ones own. I know that plagiarism not only includes verbatim copying, but also the extensive use of another person's ideas without proper acknowledgment (which includes the proper use of quotation marks). I know that plagiarism covers this sort of use of material found in textual sources and from the Internet.
2. I acknowledge and understand that plagiarism is wrong.
3. I understand that my research must be accurately referenced.
4. This assignment is my own work, or my group's own unique group assignment. I acknowledge that copying someone else's assignment, or part of it, is wrong, and that submitting identical work to others constitutes a form of plagiarism.
5. I have not allowed, nor will I in the future allow, anyone to copy my work with the intention of passing it off as their own work.

Name NAFISA NUSRAT PURBA

ULAB ID # 163011001

Signature _____

Date 6 June 2021

LETTER OF TRANSMITTAL

June 06, 2021

To

Liliping

Senior Lecturer

School of Business

University of Liberal Arts Bangladesh

Subject: Submission of Internship Report

Dear Madam,

I have honor to let you know that for the partial fulfillment of my BBA program I have completed my internship program in “G. Kibria & Co.”. I am submitting the internship report on “A study on auditing procedure followed by Chartered Accountant firm- G. Kibria & Co.”

Working on this report was a great learning experience for me. I have placed my best effort to prepare this report.

I would like to say that I am very grateful to you for your support and guidelines. I will be very pleased to answer any query if you feel necessary.

Sincerely yours,

Nafisa Nusrat Purba

ID: 16301100

Acknowledgement

At the very beginning I'd like to express my deepest gratitude to the Almighty Allah for providing with the opportunity & capability to complete my internship and report successfully at G. Kibria & Co.

I would also like to thank my parents for every second of the efforts they put behind me, making the person I am today. I am grateful to them for always supporting me the way no one else can.

I thank Liliping madam for helping me execute this hard worked report.

Lastly, I would like to acknowledge my supervisor Tanbin Hassan and Director Shah Kibria, CPA, who regularly helped me in various tasks to bring the best from me and execute the perfection from my end. Their presence changed the whole experience to a level full of positivity

I want to express my gratitude and appreciation to every professor and lecturer of University of Liberal Arts Bangladesh. Thank you for all the hard work you do for all, us students.

Executive Summary

The profession, Chartered Accountant is very well-known and respectable occupation throughout the globe. Chartered Accountants work in all fields of business and finance, including auditing, taxation, financial and general management. Some are engaged in public practice work, whereas some are in private sectors and some as government bodies. Institute of Chartered Accountants of Bangladesh (ICAB) is national professional accounting body of Bangladesh.

It was a great honor for me to work there as an intern student for the past three months. I got the opportunity to learn many things about different business in this period.

As a part of my BBA internship program, I have completed a report on the “Auditing Procedures followed by G. Kibria & Co. Chartered Accountants”. Due to the global pandemic COVID-19, I could not avail the opportunity to visit an organization for doing an audit in person. In spite of this I got to know about the entire procedure from the managers and students over there. In this report I have tried to focus on defining audit, types of it, necessities and the entire procedure of it.

My report is divided in a total of six chapters, each consisting of different categories. The primary chapter contains about the firm’s background, followed by, conducting a SWOT analysis and Porters Five Forces Model Analysis to further enhance my research topic. Later, I have included a summary of all my internship roles during the period of three months that aided me in the creation of this report followed by my observations. Then moving into my research, where I have collected primary and secondary data to conduct it. After analyzing the data I collected, I have finally made a few recommendations based on my experience, observation, and research, adopting which might be beneficial for the organization and finally concluded the report.

TABLE OF CONTENTS	
Internship Approval Form	2
Plagiarism Declaration	3
Letter of Transmittal	4
Acknowledgment	5
Executive Summary	6
Part A	
Chapter 1- Organization Profile	
1.1 Overview	9-10
1.2 Vision of G. Kibria & Co.	10
1.3 Mission of G. Kibria & Co.	10
1.4 Role of Personnel	10
1.5 SWOT Analysis	11
1.6 Porters Five Forces Model	11-12
Chapter 2	
2.1 Internship Roles and Responsibilities	13
Chapter 3- Observation, Conclusion & Recommendation	
3.1 Observation	14
3.2 Conclusion	14
3.3 Recommendation	14
Part B Research	
Chapter 1-Research Design	
1.1 Research Title	15
1.2 Research Problem	15
1.3 Objective of the study	15
1.4 Methodology	15
1.5 Data Collection Method	15
1.6 Scope of the Study	15
Chapter 2: Theoretical Background	
2.1 Background of the Study	16
2.2 Literature Review	16
Chapter 3: Projection & Analysis of Survey Data	
3.1 Analysis and Findings	17
3.2 Collecting Data	17

3.3 Data Analysis	17-21
Chapter 4: Theoretical Discussion	
4.1 Auditing	22
4.2 Difference between Accounting and Auditing	22
4.3 Types of Auditing	22-23
4.4 Generally Accepted Auditing Standards	23-24
4.5 Auditing Procedure	24-25
Chapter 5: Auditing Procedures Followed By G. Kibria & Co.	
5.1 Appointment Procedures	26
5.2 Financial Statements	26
5.3 Identifying the Goals	26-27
5.4 Development of Effective and Efficient Audit Plan	27
5.5 Evaluation of the Report	27
Chapter 6: Conclusion & Recommendation	
4.1 Conclusion	28
4.2 Recommendation	28
REFERENCES	29

Part A: Internship Experience

Chapter One: Organization Profile

1.1 Overview

G. Kibria & Co. is a government enlisted Chartered Accountants (CA) firm in Bangladesh. All the CA firms in Bangladesh needs to be registered under, The Institute of Chartered Accountants of Bangladesh (ICAB). Among many well-known firms in Bangladesh, G. Kibria & Co. is categorized as an “A” grade firm. The primary services of the firm are: Audit and Assurance, Tax and Legal Advice, Management Consultancy and Bookkeeping. G. Kibria & Co. was established in the year 1983 under ICAB. It mainly works for Financial Institutions, Insurance Company Audit, Non-Banking Financial Institute, Public limited Company, Govt. owned Entity and National and International NGO. When students decide to study Chartered Accountant, they have to get enrolled with a CA firm and get themselves registered under ICAB, as students. The main motive of the students to get enrolled with a CA firm is to learn the actual field work through the firms. This works as a benefit for the firms as well, as the students does the official works. G. Kibria & Co. is also a member of GMN international, one of the top 10 global accounting associates. The partners of G. Kibria & Co. are:

AK Golam Kibria, FCA (ICAB)

Mohd. Ishaque Ali Miah, FCA (ICAB)

Sultan Moheuddin, FCA (ICAB)

Md. Showket Akber, FCA (ICAB)

Few of the clients of G. Kibria & Co. are:

Departments	Names of organizations
Non-Banking Financial Institutions	Islamic Finance & Investment Ltd.
Government owned entity	Adhukin District Sadar Hospital
	Seba Adhidaptar, Dhaka
Insurance Company-Statutory Audit	Agrani Insurance Co. Ltd.
	Delta Life Insurance Co. Ltd

Public Limited Company	Sonargaon Textiles Ltd.
	Keya Cosmetics Ltd.
Bank-Statutory Audit	Rupali Bank Ltd.
	Bangladesh Development Bank Ltd.
National and International NGOs	International Dev. Enterprises
	Dhaka National Medical Institute Patient Benefit Fund

1.2 Vision of G. Kibria & Co.

To be a highly respected professional chartered accountants' firm by providing the best services to its clients.

1.3 Mission of G. Kibria & Co.

- To direct the clients to achieve strength in their business
- Ensuring to provide professional services on an international scale
- Maintaining laws, rules and code of conduct

1.4 Role of Personnel:

Partners: The role of partners is to attract new clients for providing service and sometimes clients also approach to the firm themselves. The partners must make sure that the existing clients are provided the best service.

Directors: After the partners, the directors are the head who looks after the firm and find their potential customers and also deals with the existing ones. In this firm the director is the son of one of the partners, who is a CPA from Canada and might become a partner of the firm in the future.

Audit Managers: Audit managers must be Chartered Accountant or a senior level student, who is left with only few subjects to become a CA. He/ she should review the audit report before the reports are signed.

Senior Student: An audit senior has some experience in the accountancy field before he/she is designated as the audit senior of the firm. He is under the direct supervision of audit manager.

Semi- Senior Student: A semi-senior student must complete 1 year of article ship in the firm. He is liable to the senior student of the firm when he doing any fieldwork.

Junior Student: Junior- Students are fresher who have just joined the audit firm

1.5 SWOT Analysis of G. Kibria & Co.

Strength:

- Provides service to both multi-national and local companies. This helps them build a connection around the world.
- The firm is listed as an “A” category firm by the Bangladesh Bank. They have been selected as external auditor of Bangladesh Security Exchange Commission (BSEC) and enlisted as an auditor of NGO affairs and Microcredit Regulatory Authority (MRA).

Weakness:

- IT support of the firm is not that strong, this might have a huge impact on them, as nowadays mostly all of their works are done in the computers.
- No direct contact with any foreign affiliation, as they are based in Bangladesh and laws of Bangladesh is only applicable.

Opportunity:

- Expansion of their business abroad is highly possible, as the chartered accountants are already familiar with all the procedures of accounting, and more or less accounting principles around the world are similar.
- Offering more services to its clients, will help them gain a mass percentage of client in this competitive business world.

Threat:

- Need to be very cautious about the financial reporting Acts they include, as this can hamper their services. They need to have updated knowledge about the Acts at all time, as the Acts keep on updating.
- The students of the firm mostly collect the primary data, creating accounts and also preparing reports for the clients. Students have the freedom to shift to another firm anytime they want. The firm will then have to train new people again if the existing students leave.

1.6 Porters Five Forces Model

Bargaining Power of the Suppliers (Low)

As it is the service based organization, so the manpower is the supplier itself to the organization, Students acquired from different universities for temporary period are usually done by the organization. This helps them to operate more fluently with much lower cost. This actually let them have the benefit of cost efficiency.

Bargaining Power of the Customers (Low)

As the clients of G. Kibria and Co. are very loyal to the service they receive and is working with them for a long period of time, this gives the firm more power to bargain and make better profit or sales in terms of the service they provide. It allows the organization to enjoy the benefits of low bargaining power of the customers.

Industry Rivalry (High)

Industry rivalry is very high because other organizations in the industry are already with better reputation, such as Hoda Vasi Chowdhury & Co., ACNABIN, Qasem & Co. etc. It is indeed hard to survive in a market with evoked set in peoples mind. Opportunity is high but as well as the competition.

Threats of New Entrants (High)

As not much certification is required from the government's end, it makes easier for any individual to start and trigger the business in such industry. Although sustaining in the market is a challenge but then again anytime threat of new entrants is high.

Threat of Substitutes (Low)

Currently the auditing firms in Bangladesh are playing a crucial role in the economy. The big organizations are hiring them and making sure that the accounting system and procedures are well maintained and followed through in a compliance way. In present, there is no other substitute of auditing firms but in house teams of the organization's own. In this case the risk of new system is low.



Figure 1: Porter's Five Forces Model

Chapter Two: Internship Roles and Responsibilities

2.1 Internship Roles and Responsibilities

I had a distinct honor to work for one of the best Chartered Accountant firms in Bangladesh. My role was as a trainee internship student at G. Kibria & Co. Being an Accounting student, working at a CA firm helped me gain experience in the actual world of Accounting. My managers and the director, who are the Chartered Accountants of the firm, assigned me with all my works and also helped me understand the work better. My office hour was from 10:00 AM to 6.00 PM with 5 days' working day from Sunday to Thursday. Thus I get the weekends as my holiday.

At different time I was assigned with differ types of work. The main works I did was preparing incentive bills, checking if the information provided by the organizations for auditing procedure were appropriate or not, preparing summary of the credit balances of organizations, cross matching the balance sheet, income statements, making list of their existing students and their information in details etc. for clarifications. I have also gained knowledge in Microsoft Excel and Word.

Chapter Three: Observation, Conclusion and Recommendation

3.1 Observation

The firm is situated at Niketon, Gulshan. This is their new office, where they shifted few months earlier. According to me the work environment is very welcoming. The employees are very friendly, cooperative and well skilled. They helped me learn many new works with which I was not familiar previously. Though my working hour was till 6.00PM, whenever I could finish my work early they would allow me to leave early. They were very cooperative and helped me with all the information I needed for the completion of my internship report writing.

3.2 Conclusion

A Chartered Accountant firm was a good start for my career, as I want to peruse my further studies in the field of Accounting. I could get a broad view of the works that are being done there. It helped me understand the importance of further studying in this subject.

3.3 Recommendation

From my point of view, after staying there for three months, I would say the students of the firm are their assets. The students of the firm are getting most of the works done. The firm does not pay the monthly allowance of the student in due time, for this reason the students might decide to shift to another firm. This will be a very bad impact for the firm.

Part B

Chapter One: Research Design

1.1 Research Title

Effectiveness of Audit Procedures of G. Kibria & Co.

1.2 Research problem

Less Efficiency in the procedure of Audits by G. Kibria & Co.

1.3 Objectives of the study

- To understand the quality of the service provided by G. Kibria & Co.
- To understand the authenticity and validity of transactions of the organizations Audited.
- To know the analysis of the audits operated by G. Kibria & Co.

1.4 Methodology

The methodology of study will be based on Primary and Secondary data. Primary data will be collected from interview of the auditors and employees of the firm. Secondary data will be collected from website, books, articles etc.

1.5 Data Collection Method

- 1 Primary Source:** The primary data were collected from the core team of the G. Kibria & Co. The interview was conducted between Top Level Managers, Mid-level personnel and students assigned in the firm.
- 2 Secondary Source:** The secondary data were collected by conducting desk research which included looking up past research papers on the relevant subject. Newsletter and journals which are published from time to time encompassing the subject matter of various approaches related to digital marketing to both discuss the existing model and ways to further enhance the models in practice to accentuate the effectiveness.

1.6 Scope of the study

The Whole Study will reflect the current situation of the firm towards the authenticity and accuracy of the operations. The procedures and the methods used by the management during an audit or in the process of the audits led by G. Kibria & Co.

Chapter Two: Theoretical Background

2.1 Background of the Study

This study will be on the auditing procedures followed by G. Kibria & Co. Chartered Accountants Auditing is an important procedure that needs to be followed by all the organizations, for ensuring regulation and law, and to maintain a healthy financial report of the organization. Nowadays many chartered accountant firms are being established in Bangladesh. It is important for an organization to do its audit yearly, so that they can have a clear view of the position of their organization in the current economy of Bangladesh. It will also help shareholders or potential investors to know the strengths of the organization, besides it also helps to maintain a reputation of the organization. Auditing also helps an organization take its financial decisions wisely. Auditing is mainly done by a CA firm, as they have the qualification and up-to-date knowledge about the standards, laws and procedures that needs to be followed while preparing an audit report. In this study the standards and the procedure G. Kibria & Co. - Chartered Accountant firm follows will be described while preparing the audit reports for its client.

2.2 Literature Review

Chartered Accountant firms are firms that provide accountancy services to its clients. Every company needs to get a yearly audit done for the organization. It is mandatory to get one done for maintaining reputation, for its stakeholders to have a better understanding and also to make informed decision making purposes. CA firms also look after organizations tax files, this helps the organizations to know exactly how much tax to pay, to stay away from any type of government hassle.

Earlier many research and paper has been written in context that why audit procedures of audit firm is not effective. The Computer Assisted Auditing Tools and Techniques (CAATTs) are the tools which were previously and now still in greater use by auditors in performing audits. One of the most commonly used CAATTs is GAS (Wehner and Jessup, 2005; Debreceeny et al., 2005; Braun and Davis, 2003). This GAS is a software package which is used by auditors to analysis and audit either live or extracted data from a wide range of applications (Debreceeny et al. 2005). Most of the research paper shows that extensive research has been done with internal audit software rather than external audit software for effective audit software.

Nowadays there are many CA firms established in Bangladesh, one needs to be very efficient with its services to stand out from the crowd. Efficiency needs to be adopted in every aspect to become successful. To fulfill the requirements of the client in an ethical way is the key. Laws and rules must be followed by the CAs to help a company grow. Techniques can help the work done much faster and effectively.

Chapter Three: Projection & Analysis of Survey Data

3.1 Analysis and Finding

It was a great experience to get to know the entire procedure of auditing in details, in the process of collecting the data. Being a Chartered Accountant is the highest degree of accounting, and is also very well-recognized around the globe. Getting the opportunity to learn more about that in person was a wonderful opportunity.

The entire team of G. Kibria & Co. was very cooperative in the entire process of the data collection method. I have presented some charts and graphs which will show the effectiveness of the study.

The steps followed while preparing for the survey was as follow:

Step 1: Conduct an in-depth interview to understand the key variables of the issue better.

Step 2: Design questionnaire emphasizing on the main factor.

Step 3: Conduct the questionnaire for the purpose of collecting the primary data.

Step 4: Analyzing the collected data and presenting the information.

Step 5: Interpreting the findings from the data and giving a conclusion from it.

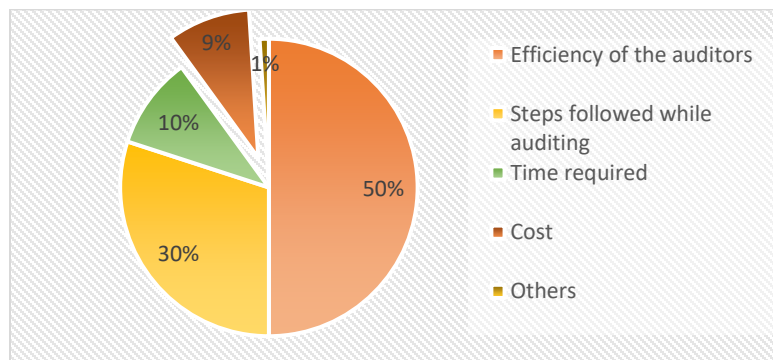
Step 6: Presenting a summary of the entire procedure in the form of a report

3.2 Collecting data:

The questionnaire was mostly MCQs where the respondents had to just choose numerical values as an answer. Apart from this, different methods were used as well to summarize the analysis, expecting maximum accuracy for the result of the survey, “The effective procedures of audit of G. Kibria & Co.”.

3.3 Data Analysis

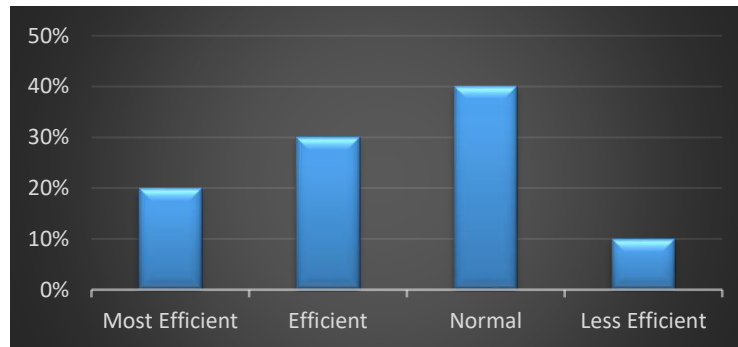
Q1. What is the most important factor of the audit procedure?



According to the respondents, 50% thinks that the most important factor of audit procedure is “Efficiency of the auditors”, 30% thinks it’s the “Steps followed while auditing”, 10% thinks it’s the “Time required”, 9% thinks it’s “The cost” and only 1% thinks its “Other factors”, apart from these.

From the result it can concluded that the most important factor in the audit procedure is the efficiency of the auditors. If the auditors are well efficient in a firm, the firm can easily move forward.

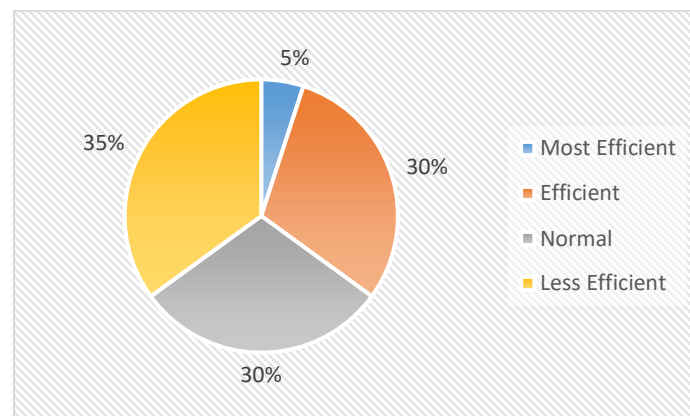
Q2. How efficient do you think the auditors at your firm are?



The data taken from G. Kibria & Co. shows that 40% of the respondents think their auditors are “Normal”, 30% thinks their auditors are “Efficient”, 20% thinks “Most Efficient” and only 10% thinks its “Less Efficient”.

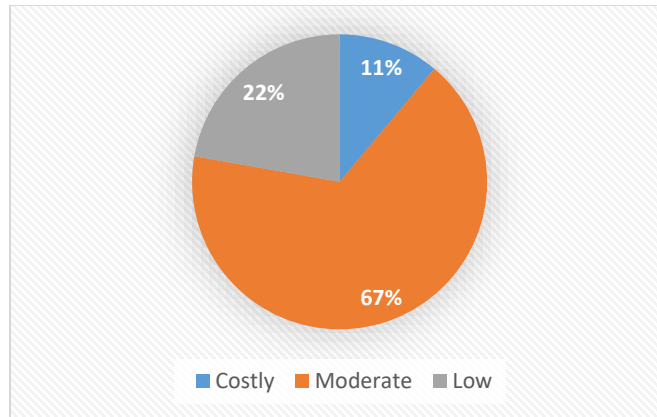
As an analysis it can be seen that the auditors of G. Kibria & Co. are average, which means the firm is doing alright in conducting their audit, but they have an opportunity to become more capable if work hard.

Q3. Evaluate G. Kibria & Co. in terms of timeliness.



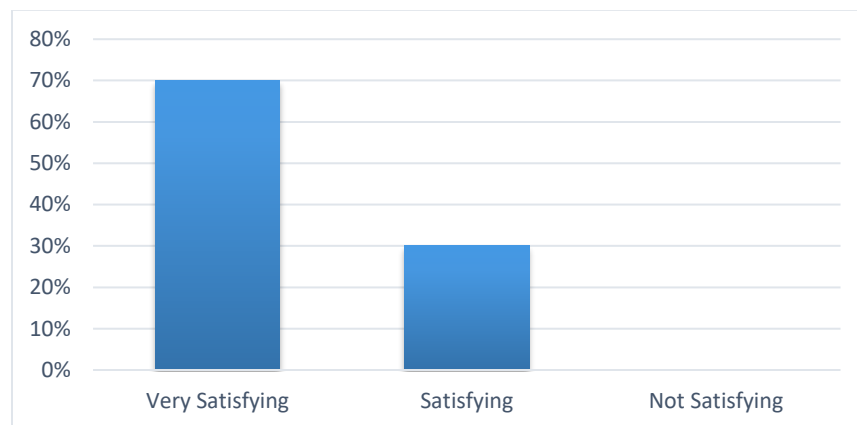
In terms of timeliness they are lacking behind, this can be the cause which is keeping them from moving forward. As previously seen, the efficiency of the auditors are normal, this is why the time taken for completing an audit report is higher compared to average. If the auditors start completing their tasks faster, their efficiency will become higher.

Q4. Evaluate G. Kibria & Co. in terms of costliness.



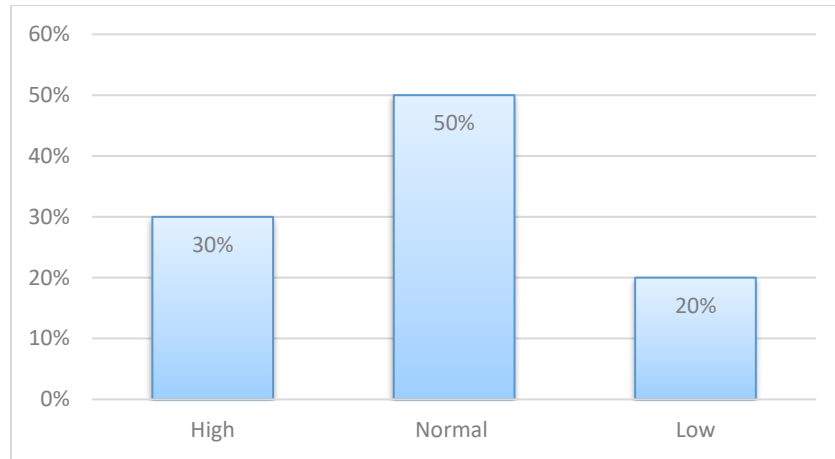
According to 67% of the respondents the cost is moderate, which means that they are keeping a balance between their work and their payment. Incorporate with their work, their payment is justifiable.

Q5. Is the quality of the audit report satisfying?



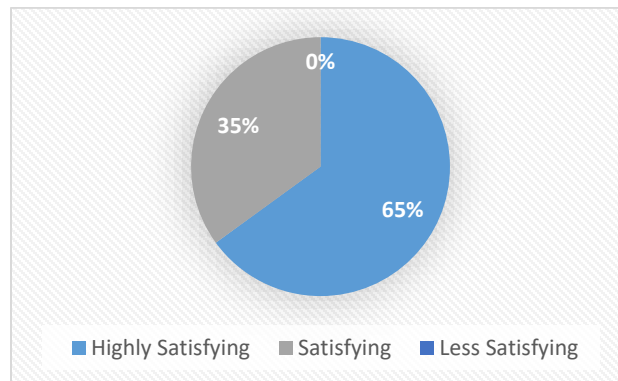
70% of the respondents think the quality of their audit report is very satisfying, 30% thinks it's just satisfying and none thinks is not satisfying. Most of the respondents are in favor of "Very satisfied" report quality. They think it is better than others and this is the reason for them to have many clients over the years. In spite of having timing issue they can present a good quality report to their clients and keep them pleased.

Q6. How much can the efficiency level increase within the next one year?



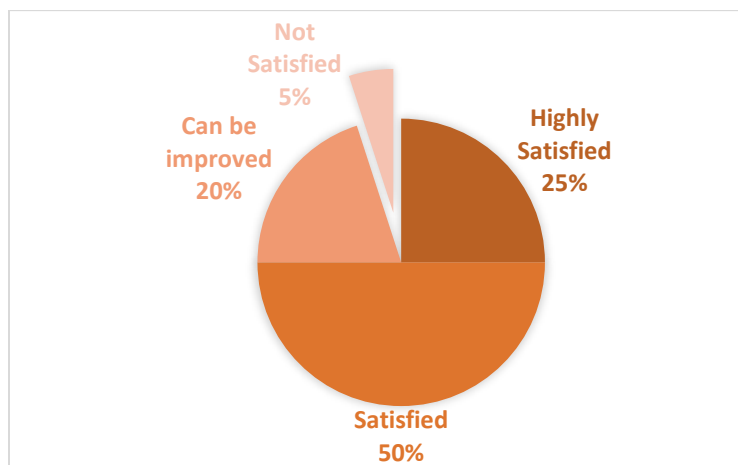
Increasing the efficiency level will help them become more successful among their competitors. 50% of the respondents think their firm will stay as it is. Whereas 30% thinks the efficiency level will become high.

Q7. How positive is the attitude of the auditors toward its clients?



The attitude of the auditors towards its client is “Highly Satisfying” according to 65% of the respondents, 35% of them thinks its “Satisfying”. This positive attitude of the auditors will help them gain more positivity in the market.

Q8. Are you satisfied with the service provided by your firm?



50% of the respondents are “Satisfied” with the service they are providing, 25% is “Highly satisfied”, 20% says “Can be improved” and 5% is not satisfied with the services they provide.

From the findings of the data it can be concluded that the effectiveness of the procedure of auditing is good according to the respondents. To gain more success the auditors have to become more efficient with their time management. It can be said that they have the scope of improvement if taken steps efficiently.

Chapter Four: Theoretical Discussion

4.1 Auditing

Auditing is the system of examining the books, accounts and vouchers of a business to determine how reasonable and true the companies are while preparing their Financial Statements. It also makes sure that the accounts are prepared according to the law of Arens and Loebbecke, 1998 defines Auditing as:

“Auditing is the process by which a competent, independent person accumulates and evaluates evidence about quantifiable information related to a specific economic entity for the purpose of determining and reporting on the degree of correspondence between the quantifiable information and established criteria.”

To further understand the definition few explanations are given below:

Accumulating and Evaluating Evidence: The word evidence stands for any measurable information that are being used by the auditor while auditing and also if it is audited in the established criteria. Evidence can exist in different forms, such as: the testimony of the client, statement of the outsiders or the self-evaluation of the auditor himself.

Competent, Independent Person: The auditor must be competent to understand the criteria used and, after examining the evidence, must be able to understand the type and amount of evidence that needs to be collected in order to arrive at a correct conclusion. The auditor needs to have an independent thinking, as it doesn't make much sense to have a biased person gather information.

4.2 Difference between Accounting and Auditing

Understanding the difference between accounting and auditing is essential. Many users of the financial statement thinks accounting and auditing as a similar thing. This misunderstanding arises as auditing is based on accounting and auditors are the experts of the accounting.

Accounting is the process of, classifying, summarizing, recording and interpreting all the financial transactions. It is prepared in a manner that is easier for the managers and others to make an informed and better decision. It is important to follow rules while preparing the financial statements and to provide relevant information only. The accounts are being prepared by someone who is an employee of the organization.

Auditing is the process of thoroughly investigating the books of accounts and reporting on the financial statements. It determines if they are accurate and if all the rules of accounting, generally GAAP has been followed. An auditor is an independent person who is not an employee of the organization. After the completion of the process of auditing, the auditor provides a certificate to the organization.

4.3 Types of Auditing

The types of audit are:

Internal audit

Tax Audit

Audit of Financial Statements

Operational Audit

Compliance Audit

Performance Audit

Government Audit

Internal Audit: Internal audit is done within the organization to see the effectiveness and internal control of the company. This helps the top level management to determine their flaws and also to improve their operations.

Tax Audit: Tax audit is where the Internal Revenue Service (IRS) examines an organizations' or an individual's accounts and financial information. This is done to make sure the information are correct according to the tax law of the country and to determine if the amount of tax reported is accurate.

Audit of Financial Statements: Audit of financial statements are done to check if the organization is following the rule and regulation of GAAP. After the examination a report is provided by the individual auditor.

Operational Audit: It is the review presented by the internal audit staff to regulate the effectiveness and efficiency of the organization through improvement.

Compliance Audit: Compliance audit is where the management is concern to know whether its organizational policies are being complied with local law and regulation.

Performance Audit: Performance audit is an independent audit done to determine if the function of an organization are being operated correctly in terms of achieving the goal. This is mainly done for any government owned organization or for any non-profit organization.

Government Audit: Government audit is done for any type of governmental organization. The Constitution of Bangladesh is responsible for maintain the accounts of the republic of Bangladesh.

4.4 Generally Accepted Auditing Standards

Generally accepted auditing principles also known as GAAS helps the auditor to ensure accuracy, consistency, and verifiability by using the guide while preparing their report. The 10 generally accepted auditing standards are:

- **General Standards**

Technical proficiency and training: The individual auditor needs to have a very good knowledge about the entire process of auditing. This is one of the first requirements of auditing. The auditor needs to have a professional degree and experience in this field before they can claim to do the work.

Independence in mental attitude: The auditor must be independent and not be influenced by the client at any point. This is essential in case of maintaining transparency while preparing the audit report.

Due to professional care: The auditor must know the professional care while in charge of performing an audit for its client.

- **Standards of Fieldwork**

Proper supervision and planning: An auditor must have a plan from beforehand of how they are going to conduct the procedure of audit. This makes their work much efficient and effective. They must also properly supervise all the possible pros and cons that might come ahead.

Understanding the environment of the organization: It is important for an auditor to be able to evaluate the working environment and the internal control of the organization, to be able distinguish the reasons of errors in the financial statements, if any.

Evidence: The auditor needs to have adequate amount of evidence in order to justify any comment made about the financial statements.

- **Standards of Reporting**

Generally Accepted Accounting Standards: An auditor needs to state in the report the standards the organization is following while preparing its accounts. It is mandatory for all the organizations to follow the standards of GAAP.

Consistency: Organizations must be consistence with the standards and auditors must state the consistency through observation. The current year and preceding year's standards should be mentioned in the report as well. Organizations can decide to change the principals from one year to another but needs to provide explanation for this in their accounts.

Adequacy of informative disclosure: The users of the financial statements might not always understand the disclosure or the notes that are been provided in the report, hence it is advised to the auditors that they ensure it in their report if the disclosures were made or not.

Opinion: An auditor needs to express their opinion regarding the financial statements in their report. In case they cannot come up with an opinion, they must state the reason for it in the report as well. The auditor must as well mention the type of examination the performer while preparing the report.

4.5 Auditing Procedure

Auditing procedure is the observation, method and technique adopted by the auditor to perform an audit. An auditor has to come to a conclusion and present a report from the findings and observation of the financial statements of an organization. The basic procedure of conducting an audit is:

Planning the audit

Conducting the audit

Reporting results

Planning the audit:

As seen earlier the first standard of the fieldwork is planning. Planning is the most important framework for an effective and efficient auditing. The planning starts right after a CA firm accepts its client. The firm asks for the books of account from its client, assess the risks and controlling them. Through planning an auditor can spot difficult issues, can get properly organized and manage engagement with an effective team.

Understanding client's business: Understanding the business of client is the second most important work. Without having knowledge about the type of the business an auditor cannot conduct an effective audit

Collecting and analyzing data: The first thing after confirmation with the client is to ask for their financial statements. These will be the data of the auditor that they need to work with. After the completion of the collection, they need to study the financial statements in details and find for errors.

Assessing risks: Proper assessment of risks is necessary, this will help the auditor to understand the environment work internal control of the organization. This will also help the auditor to better understand the errors made in the financial statements.

Conducting the audit: Lastly comes the main part, conducting the audit. After the completion of the entire procedure they auditor can now start writing the report. The report will contain all the study, observations, measurement tools etc. of the auditor. It will also consist of the explanations of the standards followed by the organizations or any related data.

Chapter Five: Audit procedures followed by G. Kibria & Co.

G. Kibria & Co. follows Deloitte Touche Tohmatus International in the audit procedure. They provide effective, efficient, innovative and responsive services to its clients.

5.1 Appointment Procedures

In case of the existing clients, the firm already have a connection with them, so it is not required for them to approach the firm with an appointment letter. Only a re-appointment letter from the client is received and an acceptance letter is provided by the firm as an answer. On the other hand, for the new clients few letter are exchanged among the firm and the potential client. Generally new clients contact the firm, and sends a proposal for auditing. The firm then sends their proposal letter for the procedure to the client. The client then sends an appointment letter and the firm after that send a Letter of Confirmation.

5.2 Financial Statements

After the completion of the appointment procedure the firm visits their client's office and asks for the financial statements of the organization. The client needs to provide them with all the necessary document they ask for.

The senior students of the firm initially visit the office for the data collection method. It is seen mostly clients do not keep their documents ready from beforehand, for which the students need to spend extra time waiting for them. In case of additional requirement of the data, the students prefer to stay in their client's office while scanning through the accounts. This is not a one-day procedure; the time duration of the visit may depend on the work depth of the organization or in some cases the efficiency of the students (visitors).

5.3 Identifying the goals

The firm needs to keep up its standards in terms of preparing for the procedure. The basic things the firm follows are:

Looking for errors in the financial statements: The auditors need to look at each of the financial statements in detail. They need to cross check the transaction's amounts and dates input in the statements. For these clients may require to provide with the bill vouchers as proof. Auditors also need to match the disclosures or explanatories in the accounts for checking authenticity.

Efficiency: An audit team must be very efficient in terms of planning their audit. An auditor also needs to assess the risk management and reduce any hidden risk material. The entire management team needs to be well trained to be able to assess the possible risks. This will ensure the efficiency of the auditors.

Relation with clients: The firm ensures their clients are given top most priority and be cooperative with them in all terms. Auditors must understand the type of business of its clients in details. It is essential for them to maintain the relationship with its clients, as audit is a yearly process and clients will return.

Evaluation: Evaluation helps the auditors to understand the internal control of the clients better, the work environment and the culture of the organization is better understood. This will help them in the evaluation process while preparing the audit report and also to understand any type of errors or fraud.

Audit Risk: Audit risk is when an auditor issues an unqualified report without detecting material misstatements. To avoid this mistake, initially it is stated study the statements with concentration. At any given time during the audit procedure if the auditor feels it is essential for the client to provide evidence due to error or fraud, the client needs to do so.

5.4 Development of Effective and Efficient Audit Plan

The auditors feel pressurized to complete the effectiveness while being effective at their work. Through the development of proper audit planning both can be achieved at the same time. Usually the audit plan consists of:

Understanding the entity: Auditors need to understand the entity to be able to make their decision but it is not required to know everything regarding the organization. The auditors just need to know the things related to design the report.

Objectives of audit: The objective of the audit needs to be clear to conduct a productive audit for the clients.

Substantive audit: This is providing evidence the auditors gather to support their statement of no misstatement in completing the process.

5.5 Evaluation of the report

The last stage of the procedure is consulting the results of the findings with the team, directors and stakeholders. The final audit report is then prepared by the auditor and signed and issued by one of the stakeholders.

Chapter Six: Conclusion and Recommendation

6.1 Conclusion

Internship is the practical learning of our four years long under graduate program. I have had a great and enjoyable three months journey at G. Kibria & Co. as an intern student. The learnings over there will help me in practical life. Due to Covid-19 I missed an opportunity to visit for auditing in person yet could learn the procedures of doing them.

The firm has a capability to make its IT department stronger by introducing more usage of it. They can convert the entire paper work process to a computerized system. This will not only save our environment but also keep away from the mess papers can create. I believe G. Kibria & Co. will become more successful in the future.

6.2 Recommendation

From the analysis of the charts and personal experience, the firm can concentrate in few areas:

Completion of the report timely is a barrier that is keeping them away from being an active auditor. They should be working on this criteria for improvement.

Auditors at any given time must stay conscious during the checking of financial statements for identifying any misstatements in the financial statements for errors and frauds. If audit report is issued without identifying such mistakes, legal actions might be taken.

Lastly, the partners or the directors of the firm should conduct regular supervision of its managers and students. As seen, many students try to avoid work that is important for the firm, as well as for the students' career. The firm should conduct a weekly or monthly inspection to check the amount of work done by the managers and students.

REFERENCES

Books:

- Alvin A. Arens, James K. Loebbecke, Rander J. Elder & Marks S. Beasley “Auditing An Integrated Approach”, 8th Edition
- Alvin A. Arens & James K. Loebbecke “Auditing”, 4th Edition
- B.N. Tandon “Practical Auditing”, 10th Editing
- Institute of Chartered Accountants of Bangladesh-“Study Manual on Auditing”.
- Larry F. Konarth, “Auditing: A Risk Analysis Approach”

Websites:

The Economics Times. (n.d). Retrieved May 25, 2021, from Economictimes.com, <https://www.accountingedu.org/what-is-auditing/>

Singh, S. (2018, June 15). Difference between Accounting and Auditing. Retrieved May 26, 2021, from Difference between Similar Terms and Objects, <http://www.differencebetween.net/business/difference-between-accounting-and-auditing/>

Maria Tanski-Phillips. (2019, April 18). Breaking down 9 different types of Audit. Retrieved May 26, 2021, from Patriotsoftware.com, <https://www.patriotsoftware.com/blog/accounting/different-types-of-audit/>

Alicia Tuovila, Khadija Khartit. (2020, November 11). Generally Accepted Auditing Standards. Retrieved May 28, 2021 from investopedia.com, <https://www.investopedia.com/terms/g/gaas.asp>

“World Bank. (2015, March 5). Bangladesh Report on the Observance of Standards and Codes: Accounting and Auditing. World Bank, Dhaka, Bangladesh. Retrieved May 28, 2021 from worldbank.org, <https://openknowledge.worldbank.org/handle/10986/25727>

A Study on the Audit Procedures follow by G. Kibria & Co.- Chartered Accountant - Nafisa Nusrat Purba (163011001)

ORIGINALITY REPORT

2%	2%	0%	1%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	doowop-net.com Internet Source	1%
2	Submitted to Heriot-Watt University Student Paper	<1%
3	www.coursehero.com Internet Source	<1%
4	gayathrikrishnan14.blogspot.com Internet Source	<1%
5	vetfgc.edu.in Internet Source	<1%

Exclude quotes On
Exclude bibliography On

Exclude matches Off