

Client: XYZ Ltd	Year end: 31-12-14	File No.	Ref: P
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## SUMMARY SHEET — TAXATION

<i>Audit objectives</i>		<b>Planning</b>		<b>Final</b>	
	<i>Number of key tests which satisfy objective*</i>	<i>Reference to bespoke tests to be carried out</i>	<i>Are you satisfied that the objectives have been met?</i>	<i>Comments</i>	<i>Initials</i>
1 To ensure that the taxation provision is adequate.	8, 9, 10, 11, 12, 13	No	Yes		.....
2 To ensure that deferred taxation has been correctly accounted for.	14	No	Yes		
3 To confirm that all necessary disclosures concerning current and deferred tax have been made and that the information is appropriately presented and described.	15, 16	No	Yes		

### *Planning conclusion*

I am satisfied that from the tests planned sufficient evidence can be gained to satisfy the objectives.

Prepared by: \_\_\_\_\_ Mr. B \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Mr. X \_\_\_\_\_ Date: \_\_\_\_\_

### *Final conclusion*

From the audit work carried out I confirm that:

- the work has been performed in accordance with the audit programme;
- the work performed and the results obtained have been adequately documented;
- all necessary information has been collected for the preparation of the statutory accounts, and
- in my opinion (subject to matters highlighted on **B5** or **B8**)\* taxation is fairly stated.

Prepared by:  
\_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by:  
\_\_\_\_\_

Date: \_\_\_\_\_

***Alternative conclusion*** (ANY alternative conclusion MUST be referred to on **B5** or **B8**)

Prepared by:  
\_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by:  
\_\_\_\_\_

Date: \_\_\_\_\_

\* Delete if not applicable.

<b>Client: XYZ Ltd</b>	<b>Prepared by: Mr. N</b>	<b>Date:</b>	<b>Ref: P2</b>
<b>Year end: 31.12.14</b>	<b>Reviewed by:</b>	<b>Date:</b>	
<b>File no:</b>	<b>Completion reviewed by</b>	<b>Date:</b>	

**AUDIT PROGRAMME — TAXATION**

<b>Particulars</b>	<b>Test required Y/N</b>	<b>Results satisfactory Y/N</b>	<b>Sch. Ref</b>	<b>Comments</b>	<b>Initials and Date</b>
<b>General</b>					
1 Agree the opening balances to last year's accounts.	Y	Y	P2.1.1		
2 Obtain and check, or prepare, a lead schedule for the current year's figures and reconcile this to the nominal ledger.	Y	Y	P2.1.1		
3 Examine any material journal entries or other adjustments made during the course of preparing the financial statements.	Y	Y	P2.1.1		
4 Carry out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) review of key ratios or other performance indicators.	Y	Y			
5 Review the planned extent of reliance on internal controls in this area and consider whether this remains appropriate	Y	Y	P2.2.1		
6 Assess whether the initial materiality and/or risk assessment should be revised in view of the audit evidence obtained. Record details of any necessary adjustments on B5 or B8. Consider the impact on the remainder of the audit work and on any work undertaken to date.	Y	N/A		No revision required	
7 Review for large and/or unusual items and verify.	Y	Y	P2.1.2		
<b>Corporation tax</b>					

<b>Particulars</b>	<b>Test required Y/N</b>	<b>Results satisfactory Y/N</b>	<b>Sch. Ref</b>	<b>Comments</b>	<b>Initials and Date</b>
8 Obtain and check, or prepare the following: (a) draft tax computations; (b) an analysis of the corporation tax account, and (c) a proof of tax/tax reconciliation. (d) Review the previous year's tax files to check whether additional tax liability is required and accounts for.	Y	Y	P2.3.1		
	Y	Y	P2.1.2		
<b>Test of Details</b> Reconciliation of provisional tax computation schedules with FS and GL	Y	Y	P2.3.2		
9 Ensure profit before tax used in the computation agrees to draft profit and loss account.	Y	Y	P2.3.1 Att.1		
10 Agree closing CT liabilities to latest computations and Tax Return.	Y	Y	Do		
11 Verify movements on CT account to Tax Returns.	Y	Y	P2.1.1		
12 Complete the corporation tax computation checklist on P3.	Y	Y	P3		
<b>Advance Income Tax</b>					
13. Recalculate the amount paid as advance income tax; ( <b>Test of details</b> )	Y	Y	P2.3.4		
14. Obtain schedule of Tax Deduction at Source (TDS) and check its accounting in the books;	Y	Y	P2.1.3		
15. Observe Treasury Challan for advance income tax;	Y	Y	P2.1.3		
16. Observe certificate for TDS;	Y	Y	P2.1.3		
17. Check compliance of advance payments of tax with the income tax law;	Y	Y	P2.1.3		
18. Prepare report (if any) considering the materiality.	N	N/A			
19. Verify whether Advance Income Tax for each quarter has been paid to Bangladesh Bank within 15 days of September, December, March, June u/s 66 of ITO.	Y	Y	P2.3		
20. Deposit of Tax collected at	Y	Y	P2.1.3		

<b>Particulars</b>	<b>Test required Y/N</b>	<b>Results satisfactory Y/N</b>	<b>Sch. Ref</b>	<b>Comments</b>	<b>Initials and Date</b>
source to Bangladesh Bank within 7 days from the date of deduction or collection.					
<b>ACT</b> 21 Where Advance Current Tax paid or payable is being carried forward as a debtor, consider its ultimate recoverability and ensure that the treatment in the accounts correctly reflects this.	N/A	N/A			
<b>Provision for Taxation</b> 22. Recalculate the provision for taxation and compare it with the records of the company; ➤ Obtained certificate from tax consultant for confirming the adequacy of tax provision. ➤ Review the tax status of previous years return to check whether additional tax liability is required or not	Y Y Y	Y Y Y	P2.3.1 Att.1 P2.1.2 P2.1.3		
<b>Deferred Tax</b>					
23. Identify the temporary differences for deferred tax calculation;	Y	Y	P2.1.4		
24. Recalculate deferred tax income/(Expense), Assets/(Liability) and compare these with the company's calculation and records;	Y	Y	P2.1.4		
<b>Reporting to NBR</b> 25. Review filing of relevant return to NBR for Income Tax;	Y	Y	P2.1.3		
26. Review filing of relevant return to NBR for VAT;	Y	Y	P2.1.3		
<b>Presentation and disclosure</b>					
27 Confirm that a disclosure checklist will be completed for this year. Where that is not the case explain how the objectives relating to disclosure will be achieved.	Y	Y	Disclosed		
28 Ensure that there is evidence on the file to support all disclosures made.	Y	Y	Obtained		
<b>Bespoke tests</b> 29 Draft any necessary additional	N/A	N/A			

<b>Particulars</b>	<b><i>Test required Y/N</i></b>	<b><i>Results satisfactory Y/N</i></b>	<b><i>Sch. Ref</i></b>	<b><i>Comments</i></b>	<b><i>Initials and Date</i></b>
tests such as those required by C6.3 and cross ref. with the objectives on the summary sheet.					
<b><i>Conclusion</i></b> 30 Consider whether there are any items which need to be included in a letter of representation or letter of comment and record this on A5 or A6 as appropriate.	N/A	N/A			

<b>Client: XYZ Ltd</b>	<b>Prepared by: Mr.N</b>	<b>Date:</b>	<b>Ref: P3</b>
<b>Year end: 31-12-14</b>	<b>Reviewed by:</b>	<b>Date:</b>	
<b>File no:</b>	<b>Completion reviewed by</b>	<b>Date:</b>	

## CORPORATION TAX COMPUTATION CHECKLIST

**Objective:** To ensure that any corporation tax liabilities or available losses are correctly reflected in the accounts.

This checklist sets out the common points to be considered when preparing corporation tax computations — it is not exhaustive.

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
<b>1 Self-assessment</b>		
(a) Confirm that the company is not liable for any penalties for late filing of its corporation tax return.	Yes	Satisfactory
(b) Confirm that the company is not liable for interest on the late payment of corporation tax.	Yes	Satisfactory
(c) Submission of Annual Return to Deputy Commissioner of Taxes in respect of Salary and Dividend within 1 <sup>st</sup> September each year u/s 108, 110.	Yes	Satisfactory
(d) Submission of Company Income Tax Return to Deputy Commissioner of Taxes within 15 <sup>th</sup> of July each year as per section 75.	Yes	Satisfactory
(e) Submission of Individual's Income Tax Return to Deputy Commissioner of Taxes within 15 <sup>th</sup> of September each year as per section 75.	Yes	Satisfactory
(f) Submission of First appeal to AJCT within 60 days from the date of DCT order as per section 153 of ITO.	N/A	
(g) Submission of second appeal to Appellate Tribunal within 60 days from the date of AJCT order as per section 158 of ITO.	N/A	
<b>2 Treatment and Computation of different items in Tax Return</b>		
<i>2.1 Advertising</i>		
(a) Confirm that all business gifts or hospitality included in advertising are correctly treated as entertaining.	Yes	Satisfactory

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
(b) Confirm advertising excludes all capital items (eg signs).	Yes	Satisfactory
<i>2.2 Entertaining</i>		
Confirm that entertainment expense is within the limit set under rule 65 of Income Tax	Yes	Satisfactory
2.3 Foreign Travels: Rule 65A, for foreign travel, holidaying, recreation expenses of an employee (including full time directors) and his dependents in excess of three months basic salary or three –fourths of the actual expenditure, whichever is less, once in every two years is admissible.	Yes	Satisfactory
<i>2.4 Repairs and renewals</i>		
(a) Confirm that the repairs and renewals expenses excludes all capital expenditures.	Yes	Satisfactory
<i>2.5 Leasing</i>		
Confirm that the capital element of finance lease payments are allowed in the computation, by not adding back the depreciation and that the depreciation is properly calculated on a commercial basis over the term of the lease (SP3/91).	Yes	Satisfactory
<i>2.6 Legal and professional charges</i>		
Confirm that the analysis excludes all capital items.	Yes	Satisfactory
<i>2.7 Bad and doubtful debts</i>		
(a) Confirm that the file includes debtors' names and addresses for bad debts written off and provisions for individual doubtful debts.	Yes	Satisfactory
(b) Confirm that any general provisions are accounted for separately from specific provisions.	Yes	Satisfactory
(c) Confirm that movements on the general provision are correctly adjusted in the computation.	Yes	Satisfactory
(d) Confirm that any loans to connected parties that are written off are adjusted in the computation, and not taxed.	Yes	Satisfactory
<i>2.8 Subscriptions and donations</i>		
Confirm that all disallowable items are adjusted in the computation.	Yes	Satisfactory
<i>2.9 Sundry expenses</i>		



<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
(a) Confirm that the analysis highlights disallowable items (if not otherwise covered by this checklist).	Yes	Satisfactory
(b) Confirm that all disallowable items are adjusted in the computation.	Yes	Satisfactory
<i>2.10 Formation expenses</i>		
Confirm that these have been disallowed in the computation.	N/A	
<i>2.11 Penalties and surcharges</i>		
Confirm that all disallowable penalties and surcharges (eg VAT default surcharges) are identified and adjusted in the computation.	Yes	Satisfactory
<i>2.12 Directors' remuneration</i>		
Confirm that the computations include an analysis of the directors' remuneration and benefits.	Yes	Satisfactory
<i>2.13 Pension contributions</i>		
(a) confirm that the computation is adjusted for accruals.	Yes	Satisfactory
(b) Confirm that the computation is adjusted for spreading of special contributions.	Yes	
<i>2.14 Rent</i>		
(a) Confirm the rents paid to persons resident outside Bangladesh are disclosed separately in the computation.	N/A	
(b) Confirm that the basic rate tax has been deducted from rents paid to non-residents.	Yes	
(c) Confirm that rents received (other than in respect of letting parts of the business premises) are excluded from the computation but are included as Section 24, 25 income in calculating the tax liability for the corporation.	Yes	
(d) Confirm that Section 24, 25 income is computed by treating rental income as a notional trade on the accruals basis;	Yes	
<i>2.15 Interest paid</i>		
(a) Confirm that interest paid is calculated on the accruals basis.	Yes	
(b) Confirm that income tax deducted from interest paid has been accounted for and paid to Treasury on time	Yes	
<i>2.16 Research and development</i>		
Confirm that the company has qualifying cost to be deducted as	Yes	Satisfactory

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
research and development.		
<i>2.17 Interest received</i>		
(a) Confirm that the schedule identifies whether amounts received are gross or net of tax.	Yes	Satisfactory
(b) Confirm that all amounts, are excluded from the computation, but are included as section 22 income.	Yes	Satisfactory
(c) Confirm that income tax deducted at source from income is deducted from income tax paid on tax return,	Yes	Satisfactory
(d) Confirm that interest received is calculated on the accruals basis.	Yes	Satisfactory
<i>2.18 Dividends received</i>		
(a) Confirm that they are excluded from the computation.	Yes	Satisfactory
(b) Confirm that they are shown net of tax credits but gross of withholding tax where applicable.	Yes	Satisfactory
<i>2.19 Fixed assets</i>		
(a) Confirm that total additions as per accounts reconcile with additions as per capital allowances computation.	Yes	Satisfactory
(b) Confirm that first year allowances have been claimed for whole year and no depreciation has been claimed in the year the asset is sold or discarded.	Yes	Satisfactory
(c) Confirm that reinvestment relief claims have been prepared where appropriate.	Yes	Satisfactory
<b>3 Chargeable gains</b>		
<i>3.1 Confirm computations have been prepared for disposals of:</i>		
(a) Freehold/leasehold property.	Yes	
(b) Investments.	Yes	Satisfactory
<i>3.2 Confirm computation shows:</i>		
(a) Date of acquisition.	Yes	Satisfactory
(b) Cost of acquisition.	Yes	Satisfactory
(c) Cost of enhancements/improvements.	Yes	Satisfactory
(d) Amount of sale proceeds and expenses.	Yes	Satisfactory

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
<b>4 Treatment of losses</b>		
<i>4.1 Confirm that losses have been set off in the most effective way by consideration of the following possibilities:</i>		
(a) Set off against other current year profits (including chargeable gains).	N/A	
(b) Confirm that losses carried forward are allowed for, as appropriate, in deferred tax calculations.	N/A	
<b>5 Groups</b>		
<i>5.1 Inter-group dividends</i>		
Confirm that any dividends paid by one member of the group to another have been identified.	N/A	
<i>5.2 Inter-group charges on income and interest</i>		
Confirm that all relevant charges on income and interest have been paid gross.	Yes	
<i>5.3 Inter-group transfer of assets</i>		
(a) Confirm schedule prepared showing details of assets transferred and name of company to which transferred.	Yes	
(b) Confirm schedule shows details of when each asset was first acquired by the group.	Yes	
(c) Confirm schedule shows details of original cost to the group of each asset.	Yes	
<b>Conclusions</b>		
1 I consider that assistance from a taxation specialist is required and confirmed.	Yes	Satisfactory
2 The computations do deal correctly with all material matters relating to corporation tax.	Yes	Satisfactory
3 The accounts do include all material corporation tax liabilities.	Yes	satisfactory
4 Any corporation tax aspects which require bringing to the client's attention have been recorded on B5 and A6.	No	

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Senior/Manager

Date: \_\_\_\_\_

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Reviewed by

Date: \_\_\_\_\_

\*Delete if not applicable.

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