

**Test of details – Noncurrent liabilities – Employee benefit and Long term loan.**

<b>S. No.</b>	<b>Type of procedures</b>	<b>Audit Procedures</b>	<b>Sub-procedures performed</b>	<b>Audit Assertion Addressed</b>	<b>Sampling technique</b>	<b>W. P. Ref.</b>
A	Test of details	a) Cross-check between Employee Gratuity provision Schedule and GL.	a. Obtained employee wise schedules of gratuity provision and checked the calculation. b. Obtained employee list indicating the date of joining and salary information from HR. c. Obtained GL of Gratuity. d. Matched the employee joining date, Basic salary, and no of completed year with the schedule and HR information and confirm the total amount recorded in GL	Completeness	Entire population was selected.	TOD-1.2.01
		b) Vouching of Gratuity payment with source documents	a. Chosen a sample of Gratuity payment transactions booked in GL b. Obtained final settlement bill, payments and Gratuity calculation for the sample selected. c. Vouched the transactions to source documents.	Completeness Occurrence Accuracy	Random sample	TOD-1.2.02
		c) Review of Loan Agreement with Bank.	a. Obtained Loan agreement b. Checked the terms and condition fulfilled or not c. Checked the payment with GL and source documents	Completeness Occurrence Accuracy	Random sample	TOD-1.2.03
B		d) Testing of presentation and disclosure	(a) Prepared a checklist of items to be disclosed according to BAS 19, Companies Act 1994 and Securities and Exchange Rules 1987. (b) Checked whether the items to be disclosed relating to long term loan have been disclosed properly.	Presentation	Entire population	TOD-1.2.04
C		e) Testing the interest calculation of employee welfare fund is appropriately done	a) Obtained the amount of contribution paid by employee on monthly basis b) Checked the interest calculation on the monthly basis. c) Compared the balance with GL amount	Accuracy, completeness.	Entire population	TOD-1.2.05

<b>Company</b>	XYZ Ltd XYZ Ltd	<b>W/P Reference</b>	TOD-1.2.01
<b>Prepared By</b>	XYZMr.C	<b>Date</b>	DD-MM-YYYY
<b>Reviewed By</b>	DEF	<b>Date</b>	DD-MM-YYYY
<b>Period ended</b>	DD-MM-YYYY		

<b>Procedure Name:</b>	Cross-check between Employee Gratuity provision Schedule and GL.
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<b>Objective:</b>	To ensure that provision for gratuity has been made in the accounts properly in the financial statements
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<b>Procedures performed:</b>	<ol style="list-style-type: none"> <li>1. Obtained month wise and employee wise schedules of gratuity provision and checked the calculation.</li> <li>2. Obtained employee list indicating the date of joining and salary information from HR.</li> <li>3. Obtained GL of Gratuity.</li> <li>4. Matched the employee joining date, Basic salary, and no of completed year with the schedule and HR information and confirm the total amount recorded in GL</li> </ol>
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<b>Assertion covered:</b>	Completeness, accuracy and occurrence
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<b>Sampling technique:</b>	Whole population
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### Result of testing

Month	As per monthly calculation schedule					As per journal entry passed in the GL	Difference
	HR and admin	Finance	Factory	Marketing and sales	Total		
January	925,478	771,776	2,954,294	874,598	5,526,146	5,526,156	-10
February	857,148	774,738	3,154,789	880,547	5,667,222	5,667,236	-14
March	848,751	913,952	2,987,856	895,215	5,645,774	5,645,774	0
April	725,789	884,732	4,045,879	785,648	6,442,048	6,442,059	-11
May	825,789	874,589	4,154,789	842,157	6,697,324	6,697,324	0

June	925,487	952,445	5,185,479	921,543	7,984,954	7,984,954	0
July	1,054,781	998,075	5,215,487	825,748	8,094,091	8,094,091	0
August	935,871	1,011,785	5,412,578	915,478	8,275,712	8,275,720	-8
September	1,045,786	1,022,202	5,625,871	835,478	8,529,337	8,529,337	0
October	1,045,786	1,047,529	6,578,214	762,549	9,434,078	9,434,085	-7
November	1,012,458	1,084,732	6,148,793	758,486	9,004,469	9,004,469	0
December	1,045,213	1,041,465	7,012,547	897,542	9,996,767	9,996,769	-2
Total	6,726,957,274	2,185,560,180	4,064,324,246	659,096,770	91,297,922	91,297,974	-52

<b>Observation:</b>	Difference is immaterial
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<b>Conclusion</b>	Satisfactory.
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<b>Company</b>	XYZ Ltd	<b>W/P Reference</b>	TOD-1.2.02
<b>Prepared By</b>	XYZ	<b>Date</b>	DD-MM-YYYY
<b>Reviewed By</b>	DEF	<b>Date</b>	DD-MM-YYYY
<b>Period ended</b>	DD-MM-YYYY		

<b>Procedure Name:</b>	Vouching of Gratuity payment with source documents
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<b>Objective:</b>	To check the occurrence and accuracy of gratuity payment that has been booked in GL during the period.
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<b>Procedure Details:</b>	<ol style="list-style-type: none"> <li>1. Chosen a sample of gratuity transactions booked in GL.</li> <li>2. Obtained final settlement order, calculation sheet and company policy for the sample selected.</li> <li>3. Vouched the transactions to source documents i.e. payment voucher, bank statements etc.</li> </ol>
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<b>Assertions covered:</b>	Occurrence, Accuracy
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<b>Sampling technique:</b>	Random sampling
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### Result of testing

Voucher No	Employee Name	Employee ID	Last Basic Salary	Year of work	Payment	Amount Paid	Our Calculation	Difference	Agreed with GL	Place of sale posting	Payment date	Remarks
BP1420	Alam	F001J	28459	24.5	Bank	711,450	711,475	25	Yes	Chittagong	15.2.14	Satisfactory
BP 1728	Karim	F 0031	22 787	57	Bank	1,298,850	1,298,859	9	Yes	Dhaka	28.4.14	Satisfactory
BP 1800	Jahan	F 1144	35784	40	Bank	1,431,360	1,431,360	0	Yes	Comilla	5.5.14	Satisfactory
BP1818	Tania	A 245	28771	35	Bank	1,006,900	1,006,985	85	Yes	Dhaka	6.5.14	Satisfactory
BP1967	Sujauddolla	HR 2455	25787	50	Bank	1,289,350	1,289,350	0	Yes	Dhaka	6.7.14	Satisfactory
BP 1827	Kobita rani	SM 4587	12879	15	Bank	193,180	193,185	5	Yes	Sylhet	8.5.14	Satisfactory
BP1779	Jibon Krisna Das	L 2154	22477	20	Bank	449,500	449,540	40	Yes	Comilla	30.4.14	Satisfactory
BP1901	AKM mahmudul Islam	F 5478	18745	11	Bank	206,190	206,195	5	Yes	Dhaka	6.6.14	Satisfactory
BP 12001	Nastaran	F 15478	17456	9	Bank	157,100	157,104	4	Yes	Dhaka	24.09.14	Satisfactory
BP 22755	Shaymoli	K-0045	20748	18	Bank	373,460	373,464	4	Yes	Dhaka	8.12.14	Satisfactory

<b>Observation:</b>	Difference is insignificant
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<b>Conclusion</b>	Satisfactory
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<b>Company</b>	XYZ Ltd	<b>W/P Reference</b>	TOD-1.2.03
<b>Prepared By</b>	Mr. Y	<b>Date</b>	DD-MM-YYYY
<b>Reviewed By</b>		<b>Date</b>	DD-MM-YYYY
<b>Period ended</b>	DD-MM-YYYY		

**Procedure Name:** Review of Loan Agreement

**Objective:** To assure that terms and reference of Loan has been properly fulfilled during the reporting period.

**Procedure details:**

- a. Obtained Loan agreements
- b. Checked the terms and condition fulfilled or not
- c. Checked the payment with GL and source documents

**Assertions:** Accuracy

**Sampling technique:** Obtained the Loan agreements with two banks randomly.

**Results of testing**

Quarter Name	Bank Name	Quarterly accounts submission	Principle payment	Interest payment	Penal interest	Total Payment	Loan repayment schedule	Remarks
Q-1	IPDC	Submitted	14,382,425	1,582,066	No	15,964,491	Agreed	Satisfactory
Q-4	DO	Do	14,839,073	1,125,418	No	15,964,491	Agreed	Satisfactory
Q-2	EBL	Submitted	2,929,017	322,191	No	3,251,208	Agreed	Satisfactory
Q-3	Do	Submitted	2,995,917	255,291	No	3,251,208	Agreed	Satisfactory

**Observation:** No observation was noted.

**Conclusion** Satisfactory.

<b>Company</b>	XYZ Ltd	<b>W/P Reference</b>	TOD-1.2.05
<b>Prepared By</b>	Mr. Y	<b>Date</b>	DD-MM-YYYY
<b>Reviewed By</b>		<b>Date</b>	DD-MM-YYYY
<b>Period ended</b>	DD-MM-YYYY		

<b>Procedure Name:</b>	Testing of presentation and disclosure
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<b>Objective:</b>	To check whether the matters to be disclosed relating to Long term loan and employee benefits according to applicable reporting and legal framework (i.e. IFRS, Companies Act 1994 and Securities and Exchange Rule 1987).
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<b>Procedure details:</b>	<ol style="list-style-type: none"> <li>Prepared a checklist of items to be disclosed according to IAS 19, IAS 32, IAS 39, Companies Act 1994 and Securities and Exchange Rules 1987.</li> <li>Checked whether the items to be disclosed relating to Long term loan have been disclosed properly.</li> </ol>
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<b>Assertions covered:</b>	Presentation and disclosure
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<b>Sampling technique:</b>	Entire population.
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<b>Working on disclosure</b>
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SL No.	Disclosure requirement	Required by	Disclosed in financial statements?	Reference from financial statements	Remarks
1	Accounting policies adopted for the recognition of Long term loan and employee benefits	IAS 19, 39,32, Companies Act 1994, SEC rules	Yes	Policy note-L	Satisfactory
2	Current and Non-current segregation of loan duly mentioned in the financial statements		Yes	Note 21	Satisfactory
	Interest bearing or non-Interest bearing		Not mentioned		
3	Bank wise Terms and conditions of Loan has been properly disclosed in the financial statements		Yes	Note 21	Not satisfactory
4	Security against Long term loan has been properly disclosed		Yes	Note 21	Satisfactory
5	Loan payable to subsidiaries or associates		Related party	Note #	satisfactory

<b>Observation:</b>	Immaterial observation noted and reported to Management letter.
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<b>Conclusion</b>	Satisfactory.
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<b>Company</b>	XYZ Ltd	<b>W/P Reference</b>	TOD-1.2.05
<b>Prepared By</b>	XYZ	<b>Date</b>	DD-MM-YYYY
<b>Reviewed By</b>	DEF	<b>Date</b>	DD-MM-YYYY
<b>Period ended</b>	DD-MM-YYYY		

<b>Procedure Name:</b>	Testing the interest calculation of employee welfare fund is appropriately done
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<b>Objective:</b>	To check completeness and accuracy of interest calculation of employee welfare fund.
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<b>Procedure details:</b>	<ol style="list-style-type: none"> <li>1. Obtained the monthly employee contribution to staff welfare fund.</li> <li>2. Checked the interest calculation (1% of fund balance) on monthly basis</li> <li>3. Compared the calculated balance with GL amount.</li> </ol>
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<b>Assertions covered:</b>	Accuracy and completeness
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<b>Sampling technique:</b>	Entire population.
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**Working on interest calculation checking**

Particulars	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Opeining balance	61,871,777	63,532,476	65,150,252	66,858,144	68,756,306	70,488,805	72,089,780	73,903,123	75,653,608	77,493,123	79,405,596	81,325,304
Add: addition made for 2014	1,065,481	1,065,451	1,075,876	1,246,490	1,095,254	1,098,748	1,160,745	1,153,454	1,165,871	1,198,542	1,248,752	1,248,750
Add: Interst accrued	618,718	635,325	651,503	668,581	687,563	704,888	720,898	739,031	756,536	774,931	794,056	813,253
Less: Payment for 2014	(23,500)	(83,000)	(19,486)	(16,910)	(50,318)	(202,661)	(68,300)	(142,000)	(82,892)	(61,000)	(123,100)	(82,104)
<b>Closing</b>	<b>63,532,476</b>	<b>65,150,252</b>	<b>66,858,144</b>	<b>68,756,306</b>	<b>70,488,805</b>	<b>72,089,780</b>	<b>3,903,123</b>	<b>75,653,608</b>	<b>77,493,123</b>	<b>79,405,596</b>	<b>81,325,304</b>	<b>83,305,203</b>
Percentage as per GL	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Percentage as per recalculation	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01



Difference	-	-	-	-	-	-	-	-	-	-	-	-
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<b>Observation:</b>	No Observation noted.
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<b>Conclusion</b>	Satisfactory.
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