

<b>Client: XYZ LTD</b>		<b>Prepared by: Mr.</b>	<b>Date:</b>	<b>Ref:R5</b>
<b>Year end: 31-12-14</b>	<b>File no:</b>	<b>Reviewed by: MR.B</b>	<b>Date:</b>	
		<b>Reviewed by</b>	<b>Date:</b>	

**AUDIT PROGRAMME—RELATED PARTY TRANSACTIONS**

<b>Particulars</b>	<i>Test required Y/N</i>	<i>Results satisfactory Y/N</i>	<i>Sch. Ref</i>	<i>Comments</i>	<i>Initials and Date</i>
<b>General</b>					
1 Review information provided by those charged with governance and management identifying the names of all known related parties and perform the following procedures in respect of the completeness of this information:					
(a) review prior year working papers for names of known related parties;	N/A	N/A	N/A	1st year audit	
(b) review the company's procedures for identification of related parties;	Y	Y	R 5.2		
(c) enquire as to the affiliation of those charged with governance and officers with other companies;	Y	Y	R5.2		
(d) review shareholder records to determine the names of principal shareholders or, if appropriate, obtain a listing of principal shareholders from the share register;					
(e) review minutes of the meetings of shareholders and those charged with governance and other relevant statutory records such as the register of directors' interests;	Y	Y	R 5.2		
(f) enquire of other auditors currently involved in the audit, or predecessor auditors, as to their knowledge of additional related parties;	Y	Y	R 5.2		
(g) review the company's tax returns and other information supplied to the tax authorities;	Y	Y	R 5.2		
(h) review invoices and correspondence from lawyers for indications of the existence of related parties or related party transactions;	Y	Y			
(i) enquire of the names of all pension and other trusts established for the benefit of employees and the names of their management.	N/A	N/A	N/A		

<b>Particulars</b>	<i>Test required Y/N</i>	<i>Results satisfactory Y/N</i>	<i>Sch. Ref</i>	<i>Comments</i>	<i>Initials and Date</i>
2 Consider the adequacy of control activities over the authorisation and recording of related party transactions.	Y	Y	TOE		
<b>Directors</b>					
3 Prepare a schedule of movements on the loan account for each director and other connected person.	N/A	N/A	N/A	No directors loan identified	
4 Review all month-end sales and purchase ledger balances to identify any accounts in the names of related parties.	Y	Y	Sales Audit Program		
5 Review the accounting records for large or unusual transactions or balances, in particular transactions recognized at or near the end of the period For example: (a) transactions with abnormal terms; (b) transactions that appear to lack a logical business reason for their occurrence; (c) transactions in which substance differs from form; (d) transactions processed or approved in a non-routine manner; (e) high volume or significant transactions with certain customers or suppliers as compared with others; (f) unrecorded transactions such as the receipt or provision of management services at no charge.	Y	Y	R5.2		
7 Discuss the nature and purpose of any unusual transactions with the management or directors.	N/A	N/A	N/A	No such transaction found	
8 Consider obtaining third party confirmation of transactions and balances.				Confirmed	
<b>Disclosure</b>					
9 Obtain sufficient appropriate audit evidence as to whether identified related party transactions have been properly recorded and disclosed.	Y	Y	R 5.2	Obtained	
10 Obtain sufficient appropriate audit evidence that disclosures in the financial statements relating to control of the company are properly stated.	Y	Y			

<b>Particulars</b>	<i>Test required</i> Y/N	<i>Results satisfactory</i> Y/N	<i>Sch. Ref</i>	<i>Comments</i>	<i>Initials and Date</i>
<b><i>Management representations</i></b> 11 Obtain a written representation from management concerning: (a) the completeness of information provided regarding the identification of related parties, and (b) the adequacy of related party disclosures in the financial	Y	Y			
<b><i>Conclusion</i></b> 12 Whether sufficient appropriate audit evidence concerning all related parties and transactions with such parties and the adequacy of their disclosure in the financial statements has been obtained.	Y	Y			

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