

Test of details – Current tax, Deferred Tax and VAT

S. No.	Type of procedures	Audit Procedures	Sub-procedures performed	Audit Assertion Addressed	Sampling technique	W. P. Ref.
A	Test of details	1. Reconciliation of provisional tax computation schedules with FS/ GL.	a. Obtained computation of tax provision at the year-end. b. Obtained GL's of Income tax provision and expenses. c. Matched the tax calculation amount for the year with the total tax provision booked in GL d. Checked the mathematical accuracy of provisional tax computation schedules	Completeness Accuracy	Entire population was selected.	TOD-1.2.01
		2. Reconciliation of deferred tax calculation.	Obtained and checked mathematical accuracy of schedules and deferred tax computation as IAS-12 and reconcile balances to trial balance and general ledger.	Completeness Accuracy Occurrence	Entire population was selected.	TOD-1.2.02
		3. Matched between revenue as per Mushak-19 and revenue as per GL.	a) Obtained copies of VAT returns submitted to NBR for each month of the year. b) Calculated the total sales reported as per VAT returns. c) Matched the total sales as per VAT return with that recorded in GL. d) Identified Mushak-19 for 12-months period and matched the total revenue reported as per VAT return with the total revenue as per GL. Reconciliations were obtained for the difference, if any, between these two figures.	Completeness Occurrence Accuracy	Entire population	TOD-1.2.03
		4. Checked the mathematical accuracy of advance payment tax u/s 64	a) Obtained the calculation of AIT u/s 64 b) Reconciled this calculation with ITO 1984 c) Checked the payment and agreed with GL	Completeness Occurrence Accuracy	Entire population	TOD-1.2.04

Company	XYZ Ltd	W/P Reference	TOD-1.2.01
Prepared By	XYZ	Date	DD-MM-YYYY
Reviewed By	DEF	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Completeness and accuracy of schedules and provisional computation of tax and recorded amount in GL
Objective:	To ensure that Provisional computation of tax as per schedule at the yearend was duly recorded in the GL and reported in the financial statements.
Procedures performed:	<ol style="list-style-type: none"> 1. Obtained Provisional amount of provision for tax with relevant schedule. 2. Obtained all GL of Provision for tax and current tax expenses. 3. Matched the provisional amount for the year with the provision recorded in GL.
Assertion covered:	Completeness and accuracy
Sampling technique:	Entire population of Tax provision

Result of testing



IT Computation.xls

See attachment 1.

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Ltd	W/P Reference	TOD-1.2.02
Prepared By	Mr. Y	Date	DD-MM-YYYY
Reviewed By	Mr. Z	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Reconciliation of deferred tax calculation
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Objective:	To check the occurrence and accuracy of deferred tax liability that has been booked in GL during the period.
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Procedures performed:	<ol style="list-style-type: none"> 1. Obtained the calculation of deferred tax calculation schedule. 2. Reconciled the computation of deferred tax with tax base and its accounting base. 3. Checked the amount posted in GL are agreed with books and records.
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Assertions covered:	Occurrence, Accuracy
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Sampling technique:	Entire population of Deferred Tax
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Result of testing

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Ltd	W/P Reference	TOD-1.2.03
Prepared By	XYZ	Date	DD-MM-YYYY
Reviewed By	DEF	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Reconciliation between sales revenue as reported in VAT-19 and VAT as per GL.

Objective: To backtrack sales from VAT 19 to ensure completeness, occurrence and accuracy of revenue and VAT.

Procedures performed:

1. Obtained copies of VAT returns submitted to NBR for each month of the year.
2. Calculated the total sales reported as per VAT returns.
3. Matched the total sales as per VAT return with that recorded in GL as VAT.
4. ~~Identified the reasons~~ Obtained Mushak-19 for 12-months period and matched the total revenue reported as per VAT return with the total VAT account as per GL. Reconciliations were obtained for the difference, if any, between these two figures and checked accuracy of the reconciliation.

Assertion covered: Completeness, Accuracy and Occurrence.

Sampling technique: Entire population of sales and VAT.

Review of reconciliation for difference between sales as per VAT-19 and sales as per financials

Particulars	Amount
Sales as per VAT return (Mushak 19)	13,675,829,535
Gross Sales Report as per GL	13,678,658,476
Difference (some non-VAT able sales has been made in Dec-14 but not shown wrongly in VAT return of Dec-14. These sales have been shown in January'15)	2,828,941
Gross sales as per Ledger	13,678,658,476
Less VAT on vatable goods	1,359,935,286
Net sales report as per GL	12,318,723,190
Reconciliation of VAT able and Non-VAT able goods	
Net sales of VAT able goods	9,066,235,238
Sales of VAT exempted goods	3,252,487,952

Observation: No observation was noted.

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Conclusion	Satisfactory.
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Company	XYZ Ltd	W/P Reference	TOD-1.2.04 5
Prepared By	XYZ	Date	DD-MM-YYYY
Reviewed By	DEF	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Checking the mathematical accuracy of advance payment of tax u/s 64
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Objective:	To check whether advance income tax u/s 64 and payment of AIT has been complied properly and agreed with the GL.
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Procedures performed:	<ol style="list-style-type: none"> 1. Checking calculation of AIT u/s 64. 2. Checked whether the payment of AIT are agreed with GL.
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Assertions covered:	Completeness, Occurrence and Accuracy
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Sampling technique:	Checking of calculation and payment of two quarters AIT. Entire Population of Advance Income Tax
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Working on AIT Calculation checking disclosure

SL No.	Accuracy checking of advance payment of tax	Amount	Payment date	Remarks
	Calculation checking			
	Last assessed income for the year 2011	836,030,118		Satisfactory
	Income tax @ 27.5%	229,908,282		Satisfactory
	Payable by each quarter	57,477,070		Satisfactory
	Payment checking			

	First Quarter (except AIT deducted at source Tk. 5,154,891)	58,000,000	15 September 14	Satisfactory
	2nd quarter (except AIT deducted at source Tk.6,554,879)	58,000,000	December-14	Satisfactory
	3 rd Quarter (except AIT deducted at source Tk. 9,874,554)	58,000,000	March-15	Satisfactory

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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