

Audit Program – Trade and other receivables

Particulars	Test required Y/N	Results satisfactory Y/N	Sch Ref	Comments	Initials and date
General					
1. Agreed the opening balances to last year's accounts.	Y	Y	TR-01		
2. Obtained and check, or prepare, a lead schedule for the current year's figures and reconcile this to the nominal ledger.	Y	Y	TR-01		
3. Examined any material journal entries or other adjustments made during the course of preparing the financial statements.	Y	Y	TR-01		
4. Carried out analytical procedures such as: (a) comparison of the current figures with those of prior periods; (b) reviewed of key ratios or other performance indicators; (c) comparison of the top ten customers this year with last.	Y	Y	TR-01		
5. Reviewed the planned extent of reliance on internal controls in this area and consider whether this remains appropriate.	Y	Y	TOE- C5.1		
6. Assessed 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 under taken to date.	Y	N/A	N/A	No revision required	
7. Reviewed for large and/or unusual items and verify.	Y	Y	TR-01		
Cost/existence					
8. Obtained or prepare an aged list of balances and test the casts.	Y	Y	TR-04		
9. Agreed the aged list of balances to the control account. Obtain explanations for all material adjustments to the control account.	Y	Y	TR-04		
10. Performed a debtors circularisation. (a) Selected a sample of accounts for confirmation from a complete list of balances (include nil and credit balances where applicable). Record the details on the standard working paper; (b) Confirmed with client the debtors we wish to circularise; (c) obtained explanations where the client does not want us to circularise particular balances and consider alternative procedures that can be applied; (d) considered whether the refusal to allow circularisation of particular balances will impose a limitation of scope on the audit? (e) Sent the confirmation requests. Enclose a prepaid envelope for return to the firm. Ensure the reply part of the letter is properly referenced; (f) Recorded replies on the control sheet; (g) Where replies are not received within a reasonable period, sent a follow-up letter; (h) Followed the alternative procedures for any unfavorable responses or where no response obtained, and (i) Summarised the results and consider whether adequate audit comfort has been obtained for trade debtors.	Y	Y	TR-02		
11. Where circularisation has not been carried out selected a sample of trade debtors or where	Y	Y	TR-03		

unsatisfactory results are obtained carry out alternative procedures. (a) examined the ledger for cash after date; (b) for unpaid items inspected proof of delivery or despatch. If no such documentation is available, inspected the sales invoice supporting them, and (c) reviewed correspondence files for items in to determine whether any disputes exist. (d) Considered requesting a transaction history from key customers.					
12. Listed all credit balances over Tk_____ and obtain explanations	N	N/A	N/A	No credit balances at year end.	
13. Reconciliation between sub-ledger balances and GL balance of trade receivables.	Y	Y	TR-05		
Valuation					
14. Reviewed ledger accounts and obtain a list of any debts with balances: (a) not paid within months of the period end; (b) in excess of their credit limit; (c) in the hands of liquidators or receivers, or (d) in the hands of solicitors for collection.	N	N/A	N/A		
15. Compared the client's provision with the list completed under nine above and consider its adequacy. Obtained explanations for and justify any material accounts omitted from the client's list.	Y	Y	TR-04		
Cut-off					
16. Reviewed credit notes after the year end and consider whether these have been accounted for in the correct period.	Y	Y	TR-06		
17. If the company has despatch records, examine sales and despatch records before and after the year end and ensure that: (a) all goods despatched before the year end are excluded from stock and included in sales and debtors where appropriate; (b) all goods despatched after the year end are included in stock and excluded from sales and debtors where appropriate.(Refer to stock attendance notes.)	Y	Y	TR-06		
18. If the company does not have despatch records, specified below the audit work to ensure that cut-off has been correctly applied:	N	N/A	N/A	The company has dispatch records	
Presentation and disclosure					
18. Confirmed that a disclosure checklist will be completed for this year. Where that is not the case explained how the objectives relating to disclosure will be achieved.	Y	Y	TR-07		
19. Ensured that there is evidence on the file to support the disclosures made such as long term debtors.	N	N/A	N/A		
20. Reviewed transactions and balances with directors and ensure they are properly presented as related party transactions and transactions in which a director has a material interest.	N	N/A	N/A		
21. Ensured that any factored debts have been accounted for in accordance with the substance of the agreement.	N	N/A	N/A		

22. Drafted any necessary additional tests such as those required by C6.3 and cross reference with the objectives on the summary sheet.	N	N/A	N/A		
23. Considered whether there are any items which need to be included in a letter of representation or letter of comment and record on A5 or A6, as appropriate.	N	N/A	N/A		

Company	XYZ Limited	W/P Reference	TR-01
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Comparison of current year and previous year balances
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Particulars	Current year balance (BDT)	Previous year balance (BDT)	Variance (BDT)	Variance (%)
Trade and other receivables	<Taka>	<Taka>	<Taka>	<Percentage>

Procedures performed:	<ol style="list-style-type: none"> 1. Confirmed the previous year's balance with the audited financial statements of the previous year. 2. Checked the current year's balance with the balance as per nominal ledger. 3. Examined adjusting journal entries posted during the preparation of the financial statements. 4. Inquired management about large and/or unusual items and justification for such items.
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Observation:	No large and/or usual items were noted during inquiry to management. Previous year's balance has been brought forward and current year's balance of nominal balance has been carried forward to the financial statements correctly.
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Conclusion:	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-02
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Circulate balance confirmation letter for major debtors and maintain confirmation control sheet.

Objective: To check occurrence and accuracy of trade receivables.

Assertions covered: Occurrence, Accuracy.

Procedures performed:

1. Obtained a party-wise movement schedule and trace the opening balances from the general ledger, subsidiary records, and last year working papers. Checked casting and cross casting of the schedule.
2. Obtained party-wise break up of trade and other receivables as at 31 December 2014.
3. Made a selection of receivables' balances based on high value.
4. Circulated the balance confirmations to the selected parties.
5. Compared replies to the requests.
6. Ensured that reconciling item, if any, are properly supported and appropriately adjusted.

Sampling technique: High value from entire population of the trade and other receivables.

Confirmation Control Sheet: Trade Receivable

SI No	Customer Code	Customer Name	Contact Address	Date of Confirmation Send	Date of Confirmation Received	A	B	C=A-B
						Balance as per Confirmation Send	Balance as per confirmation Received	Difference
1	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
2	<Code>	<Name>	<Address>	<Date>	<Date>	Amount>	<Amount>	-
3	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
4	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
5	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
6	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount> <Amount>	<Amount> <Amount>	-
7	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
8	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
9	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-

10	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
11	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
12	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
13	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
14	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-
15	<Code>	<Name>	<Address>	<Date>	<Date>	<Amount>	<Amount>	-

Observation:	No observation was noted.
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Conclusion:	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-03
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Checking subsequent clearance of trade receivable balances.

Objective: To ensure that the year-end balances of trade receivable were subsequently cleared fully or partially.

Procedure:

1. Obtained party-wise break up of trade and other receivables as at 31 December 2014.
2. Made a selection of receivables' balances for which confirmation was not sent.
3. Obtained invoice wise break up of selected balances.
4. Checked subsequent clearance of selected invoices.
5. Inquired management into significant disputed balances, if any.

Assertion covered: Existence, Accuracy.

Sampling technique: Made a selection of receivables' balances for which confirmation was not sent

Result of testing

Subsequent movement checking of Trade and other receivables:

General Description						Document Checked	
SI No	Party code	Party name	Balance as of year-end	Received as of <Subsequent cut-off date>	Balance as of <subsequent cut-off date>	Bank Statement	Money Receipt
1	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
2	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
3	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
4	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
5	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
6	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
7	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
8	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
9	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√

10	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
11	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
12	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
13	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
14	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√
15	<Code>	<Name>	<Amount>	<Amount>	<Amount>	√	√

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-04
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Checking the accuracy of doubtful debts and recoverability of trade receivables.

Objective: To check the accuracy of doubtful debts and recoverability of trade receivable as at the year-end.

Procedure Details:

1. Obtained business wise approval of bad debt provisions and matched with GL balances.
2. Obtained and reviewed of policy for provision for doubtful debt.
3. Obtained business wise schedule of receivable along with aging and recalculated provision for bad debt according to business wise bad debt provision policy.
4. Obtained ageing of trade and other receivables and ensured that no unreasonably delayed balances are appearing.
5. Assessed the consistency and appropriateness of methods applied to estimate the doubtful debts.
6. Checked the recoverability of the debtors considered good. No subsequent event has raised any doubts about their recoverability.

Assertions covered: Occurrence, Accuracy

Sampling technique: Obtained receivable balances with their ageing and checked whether bad debt allowance has been kept using percentage as per company policy.

Result of testing

Receivable amount (BDT)	No. of days outstanding	Percentage as per policy	Bad debt provision		Difference	Checked approval?
			Should be kept	Actually kept		
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√

<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√
<Taka>	<Days>	<Percentage>	<Taka>	<Taka>	-	√

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-05
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Reconciliation between sub-ledger balances and GL balance of trade receivables.

Objective: To check the completeness of GL balances of trade receivables as at the year-end.

Procedure Details:

1. Obtained schedule of business wise sub-ledger balances.
2. Obtained GLs of trade receivables for the entire year.
3. Cross-matched the total of sub-ledger balances with the amount of trade receivable GL.
4. Inquired and justified the difference between sub-ledger balances and GL balance, if any.

Assertions covered: Completeness, Accuracy

Sampling technique: High value from entire population

Result of testing

Sub-ledger			GL			Difference	Remarks
Sub-ledger code	Customer name	Balance as at closing date	GL code	GL description	Balance as at closing date		
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
			<Code>	<Name>	<Taka>		
			<Code>	<Name>	<Taka>		
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	<Taka>	Reconciled
			<Code>	<Name>	<Taka>		
			<Code>	<Name>	<Taka>		
			<Code>	<Name>	<Taka>		
			<Code>	<Name>	<Taka>		
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
			<Code>	<Name>	<Taka>		
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	-	Satisfactory
<Code>	<Name>	<Taka>	<Code>	<Name>	<Taka>	<Taka>	Reconciled
Total		<Taka>	Total		<Taka>		

Reconciled:

Sub-ledger code	Customer name	Sub-ledger balance A	Forex revaluation B	Manual payment C	Nominal GL balance D=A+B-C
<Code>	<Name>	<Taka>	<Taka>	<Taka>	<Taka>
<Code>	<Name>	<Taka>	<Taka>	<Taka>	<Taka>

Conclusion Difference is immaterial and reconciliation is satisfactory.

Company	XYZ Limited	W/P Reference	TR-06
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name: Cut-off test of trade receivables.

Objective: To assure the completeness and accuracy of recording trade receivables in the reporting period.

Procedure details:
 1. Made a selection of sales invoices from sales module of accounting system
 2. Checked whether trade receivables were recorded in the correct accounting period.

Assertions: Completeness, Accuracy.

Sampling technique: Obtained the schedule of sales invoice and goods return note of the last 15 days of the current accounting period and of first 15 days of the next accounting period. Then samples were selected based on high-value items.

Results of testing

Invoice/ Goods return noteReferece	Transaction details	Customer name	Types of transaction	Cutoff period	Invoice Date	Delivery Date as per invoice	Net sales	Journal entry date	Remarks
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory

<ID No.>	<Description>	<Name>	Sales return	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales return	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory
<ID No.>	<Description>	<Name>	Sales return	<Reporting date>	DD-MM-YYYY	DD-MM-YYYY	<Taka>	DD-MM-YYYY	Satisfactory

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-07
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Testing of presentation and disclosure
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Objective:	To check whether the matters to be disclosed relating to trade receivables according to applicable reporting and legal framework (i.e. IFRS, Companies Act 1994 and Securities and Exchange Rule 1987).
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Procedure details:	1. Prepared a checklist of items to be disclosed according to IAS 18, IFRS 7 and Companies Act 1994. 2. Checked whether the items to be disclosed relating to trade receivables have been disclosed properly.
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Assertions covered:	Presentation and disclosure
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Sampling technique:	Entire population.
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Working on disclosure

SL No.	Disclosure requirement	Required by	Disclosed in financial statements?	Reference from financial statements	Remarks
1	Group accounting policy	IFRS	√	Note 39	Satisfactory
2	Ageing of trade receivables		√	Note 11.2	Satisfactory
3	Movement in the allowance for impairment in respect of trade receivables during the year		√	Note 31	Satisfactory
4	Separate disclosure for debts considered good and in respect of which the company is fully secured.	Companies Act 1994	Not applicable	Not applicable	
5	Separate disclosure for debts considered good for which the company hold no security other than debtors personal security.		√	Note 11	Satisfactory
6	Debt considered doubtful or bad		√	Note 11	Satisfactory
7	Debts due by directors or other officers of the company		Not applicable	Not applicable	
8	Debts by company under same management		√	Note 13	Satisfactory
9	Debt to firms or private limited companies respectively in which any director of the company is a partner, director or member		Not applicable	Not applicable	
10	Any surplus created for provision for doubtful or bad debts shown separately under "Reserves and Surplus".		Not applicable	Not applicable	

Observation:	No observation was noted.
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Conclusion	Satisfactory.
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Company	XYZ Limited	W/P Reference	TR-08
Prepared By	Mr. A	Date	DD-MM-YYYY
Reviewed By	Mr. B	Date	DD-MM-YYYY
Period ended	DD-MM-YYYY		

Procedure Name:	Workings on write-off of bad debts.
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Objective:	To check the occurrence and accuracy of writ-off of bad debts during the year.
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Procedure Details:	<ol style="list-style-type: none"> 1. Obtained schedule of bad debts that were written off during the year. 2. Selected some samples of write off and obtained documents of background, nature and management notes relating to the decision to write off upon inquiry to management. 3. Obtained board approval for write off of the bad debts, where applicable.
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Assertions covered:	Completeness, Accuracy
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Sampling technique:	Samples were selected based on high-value write-offs.
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Result of testing

Party name	Receivable amount	Provision kept	Provision written off	Percentage of receivable	Observed management note?	Board approval taken?	Remarks
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory
<Name>	<Taka>	<Taka>	<Taka>	<Percentage>	√	√	Satisfactory

Conclusion	No mismatch was noted.
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Disclaimer: Dummy audit working files have been prepared and published to improve the quality of audit documentation of member firms providing audit services in Bangladesh. Member firms providing audit services should not assume these dummy working files as absolute benchmark for the purpose of preparing and keeping audit documentation. Every audit client has unique characteristics and risks. International Standards on Auditing (ISA) also requires to exercise engagement partner's judgment on a number of areas in conducting the audit of an entity. Therefore, member firms should use their professional knowledge, skill, experiences along with these dummy working files to keep adequate and appropriate working papers for each audit engagement. The preparers do not assume any liability for drawing an inappropriate audit opinion based on the working papers prepared on the basis of these dummy working files.