

Client:XYZ Limited	Year end: 31-12-2014	File No.	Ref: U
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**SUMMARY SHEET — VALUE ADDED TAX**

	Planning		Final		
	<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 VAT has been correctly accounted for.	4		Yes		
2 To ensure any potential liabilities have been identified.	6, 7, 8, 9		Yes		
3 To confirm that any necessary disclosures concerning VAT have been made and that the information is appropriately presented and described.	10		Yes		

***Planning conclusion***

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

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

Reviewed by: \_\_\_\_\_ 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,
- &
- ◆ in my opinion (subject to matters highlighted on B5 or B8)\* VAT 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>Tailored by:</b>	<b>Date:</b>	<b>Ref: U2</b>
<b>Year end: 31-12-14</b>	<b>File no:</b>	<b>Tailoring reviewed by:</b>	<b>Date:</b>	
		<b>Completion reviewed by</b>	<b>Date:</b>	

**AUDIT PROGRAMME — VALUE ADDED TAX**

<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 (a) Agree opening balances to last year's accounts.	Y	Y	U2.1.1		
(b) Obtain and check, or prepare, a lead schedule for the current year's figures.	Y	Y	Do		
(c) Enquire into and make notes of reasons for any major variations from expectations.	N/A	N/A	N/A		
2 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		Not required	
3 Review for large and/or unusual items and verify.	Y	Y	U2.1.1	Nothing to report	
4 Obtain and check, or prepare, a VAT control account. Agree the VAT creditor or repayment due to the relevant VAT return.	.....Y	Y			
5 Vouch the entries on the VAT control account to the VAT returns.	Y	Y	P2.3	VAT reconciliation	
6 Reconcile the turnover as per the accounts to the outputs recorded on the VAT returns.	Y	Y	P2.3		
7 Reconcile the potential VAT	Y	Y	P2.3		

on the turnover per the accounts to the outputs on the VAT control account.					
8 Review the client's VAT affairs, including any correspondence, and ensure that adequate provision is made for any possible penalties and interest on under-declarations.	Y	Y	U2.1.1		
9 Where considered necessary complete the VAT checklist on U3.	Y	Y	U3		
<b>Presentation and disclosure</b>	....Y	Y			
10 Consider whether balances relating to VAT are appropriately presented in the accounts and whether any additional disclosures are required.					
<b>Conclusion</b>	N/A	N/A		No point to be included in letter of comment.	
11 Consider whether there are any points which need to be included in a letter of representation or letter of comment and record on A5 or A6 as appropriate.					

<b>Client: XYZ Ltd</b>		<b>Prepared by:</b>	<b>Date:</b>	<b>Ref: U3</b>
<b>Year end: 31-12-14</b>	<b>File no:</b>	<b>Reviewed by:</b>	<b>Date:</b>	

## VAT COMPLIANCE CHECKLIST

*Objective: To ensure that all VAT liabilities are correctly included in the accounts.*

The checklist sets out the common points to be considered when reviewing VAT — it is not exhaustive.

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
<b>1 Registration</b>		
<b>1.1 Unregistered company</b> Confirm that taxable turnover does not exceed registration limits (currently and historically), Taka 2 million.	N/A	
<b>1.2 Company registered as intending trader</b> Does the intention to make taxable supplies continue?	N/A	
<b>1.3 Exemption from registration</b> Is trader still eligible for exemption?	No	
<b>1.4 Group registration</b> (a) Are all members of the legal group either in the VAT group or separately registered? (b) Are all members of the VAT group eligible for membership? (c) Are the latest and current details of group members received from Customs & Excise correct? (d) Does a system exist to notify Customs & Excise of group or company structure changes?	Yes	Satisfactory
<b>1.5 Compulsory registration</b> Are the details on the latest Certificate of Registration correct?	Yes	Satisfactory
<b>2 Sales</b>	Yes	Satisfactory
<b>2.1 Standard-rated sales</b> (a) Confirm VAT treatment is in accordance with the VAT act and any directions from VAT administration.		

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
2.2 <i>Exports</i> Is adequate evidence of exports and deemed exports are kept?	Yes	Satisfactory
<b>3 Purchases</b>		
3.1 <i>'Routine'</i>		
(a) Is input tax only claimed when evidence is received?	Yes	Satisfactory
(b) Are all invoices retained and accessible?	Yes	Satisfactory
(c) Does client check that all invoices are correctly addressed to him as the registered trader?	Yes	Satisfactory
(d) Are there systems to identify non-deductible inputs (including non-business input VAT)?	Yes	Satisfactory
<b>4 Accounting records</b>		
(a) Are records properly filed, referenced and retained for four years for VAT inspections?	Yes	Satisfactory
(b) Do VAT records agree with the management and financial accounts available for inspection including a reconciliation of turnover?	Yes	Satisfactory
<b>5 Groups of companies</b>		
(a) Do all companies invoicing each other within a VAT group correctly omit VAT?	Yes	Satisfactory
(b) Do supplies between members of the legal group (eg management charges) who are not in the VAT group carry VAT as appropriate?	Yes	Satisfactory
(c) Is non-deductible input tax identified and not claimed?	Yes	Satisfactory
<b>6 General Compliances</b>		
(a) Whether the organization's imports are exempt from registration and that exemption has been taken (All educational institution and government offices. Embassies UN and UN bodies, and other privileged institutions).	N/A	
(b) Challan copy should be retained for 4 years in case of centrally registered organizations transferring goods from central godown or from one sale center to another.	Yes	Satisfactory
(c) If the organization is an exempt from VAT registration is it properly enlisted with the superintendent and paid 4% as turnover tax in	N/A	

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
advance.		
(d) Confirm that turnover tax enlisted Co. maintains accounts of daily buy-sale transaction in form "Mushak-17 A" and shall also preserve number wise sale cash memo including enlistment number. Further declaration of turnover challan of treasury deposit, return etc. shall have to be preserved for at least 4 years.	N/A	
(e) Confirm turnover tax at 4% within 30 days of annual declaration of turnover and within 15 days of monthly declaration of turnover to be deposited to the treasury and the return together with the main copy of treasury challan is submitted to the concerned circle in form "Mushak-4".	N/A	
(f) Confirm that the turnover tax is paid in advance before the commenced of tax period.	N/A	
(g) Confirm VAT return was duly filed within 10 <sup>th</sup> days of the following month in form "Mushak-19".	Yes	Satisfactory
(h) Producers of taxable goods has submitted appropriate bona fide price declaration relating to their products in form "Mushak-1".	Yes	Satisfactory
(i) Confirm that the Co. has claimed duty drawback within 6 months of issue of shipping bill, bill of exports for identifiable real exports and deemed exports.	Yes	Satisfactory
(j) Confirm that excess payment of VAT, turnover tax where applicable has been claimed for refund within 6 months of such payment in form TR31.	Yes	Satisfactory
(k) Confirm input tax paid by a registered person on the inputs imported on purchased by him are adjusted under certain sections of the VAT Act or Rules against output tax liability, which is called input tax rebate.	Yes	Satisfactory
(l) Confirm that VAT deduction at source from certain specified service providers at the specified rate has been done and deposited to treasury within the specified time.	Yes	Satisfactory
<b>6 Penalties and assessments</b>	Yes	No penalties
(a) Have all VAT assessments been reflected in the accounts (including penalties and interest)?		
(b) Are all outstanding default surcharges reflected in the accounts?		

<b>Particulars</b>	<b>Yes/No or N/A</b>	<b>Comments</b>
<b>Conclusions</b>		
1 I consider that assistance from a VAT specialist is not required.	Yes	
2 The client has not dealt with all material matters relating to VAT.	No	
3 The accounts do not dealt with all material VAT Liabilities	No	
4 Our review of VAT has/has not* met our obligations under the letter of engagement	Yes	
5 Any VAT aspects which require bringing to the client's attention have been recorded on B5 or B8.	N/A	

Senior/Manager \_\_\_\_\_ Date: \_\_\_\_\_

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

\* Delete if not applicable.

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