

BREB Instruction 600-28

Internal Audit Procedures Manual


Bangladesh Rural Electrification Board

Dhaka, Bangladesh.


(Md. Mozibur Rahman)
Consultant, TAPP, BREB


(Md. Duhdul Islam)
Consultant, TAPP, BREB


(Md. Mozammel Haq)
Consultant, TAPP, BREB


(Md. Abdul Khaleque)
Consultant, TAPP, BREB


(Md. Ahsanul Haque)
Consultant, TAPP, BREB


(Debasish Chakraborty)
PD, TAPP, BREB


(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

BREB INSTRUCTION 600-28
Internal Audit Procedures Manual


Table of Contents

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
I.	PURPOSE OF MANUAL	01
II.	POLICY	01
III.	SCOPE OF AUDITING	02
IV.	AUDITING STANDARDS	03
V.	AUDIT PLANNING	06
VI.	AUDIT PROCESS	10
VII.	AUDIT EXECUTION	12
VIII.	AUDIT TESTING	17
IX.	FINANCIAL AUDIT	19
X.	OPERATIONAL AUDIT	20
XI.	AUDIT PROCEDURE	22
XII.	FINDINGS AND REPORTS	24
XIII.	BREB/PBS INSTRUCTIONS SERIES FOR INTERNAL AUDITING	29


(Md. Mozibur Rahman)
Consultant, TAPP, BREB



(Md. Duhidul Islam)
Consultant, TAPP, BREB


(Md. Mozammel Haq)
Consultant, TAPP, BREB


(Md. Abdul Khaleque)
Consultant, TAPP, BREB


(Md. Ahsanul Haque)
Consultant, TAPP, BREB


(Debasish Chakraborty)
PD, TAPP, BREB


(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

BREB INSTRUCTION 600-28

Internal Audit Procedures Manual

I. Purpose of Manual:

The purpose of this manual is to provide guidelines and prescribe procedures for an efficient and systematic approach to internal auditing consistent with all BREB policies and regulations defined in the related manuals and instructions.

This manual also contains general principles for the operation of the Internal Audit Directorate, BREB and detailed instructions and procedures for internal audit. Moreover, it will guide audit personnel in the effective discharge of their responsibilities for conducting audit.

II. Policy:

The post-audit manual is to provide general principles for auditing of all sort of activities of an office under audit plan in order to detect irregularities, inconsistencies and deviations along with drainage, pilferage, misuse and misappropriation of government fund, BREB fund or both. This policy is formulated as a guideline for conducting post-audit of different BREB offices to protect and ensure BREB interest and government interest as well. As a result, there will be no irregularities, drainage, pilferage, misuse or misappropriation of government or BREB fund. Above all, major audit objections can be avoided and the number of audit objections will be reduced /minimized in the audits conducted by the government agency, Foreign Aided Project Audit Directorate (FAPAD) and Civil Audit conducted by the Office of the Accountant General.


Revision:

BREB INSTRUCTION 600-28 (INTERNAL AUDIT PROCEDURES MANUAL)				
Original Date	Reviewed by	Approved by	Page	Revision No.
30-03-1985	BREB	BREB Board	1	2
Revisions : 01-08-2013, 19-02-2020				


(Md. Mozibur Rahman)
Consultant TAPP BREB



(Md. Duhidul Islam)
Consultant TAPP BREB


(Md. Mozammel Haq)
Consultant TAPP BREB


(Md. Abdul Khaleque)
Consultant TAPP BREB


(Md. Ahsanul Haque)
Consultant TAPP BREB


(Debasish Chakraborty)
PD, TAPP, BREB.


(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০

III. Scope of Auditing:

- (a) Internal Audit Directorate is empowered to conduct audit in BREB offices. All sort of works, activities, support jobs executed and the programs implemented by the office so assigned by BREB will be under the scope of audit. The scope of audit will also include day to day administration such as leave and attendance of the employees working there, processing of files along with their movements, decision making efficiency, prompt response to Management directives and proper & timely implementation of the same etc. Besides, recruitment of BREB personnel, promotion/demotion, disciplinary actions and enquiry files can be reviewed and audited under the scope of audit. Audit will be conducted for a specific period covering fiscal years. For the interest of BREB, audit can also be conducted at any office at any time for any period. Consultancy services being rendered in BREB and the PBSs will also be under purview of internal audit. Before conducting and finalization the audit report, BREB Internal Audit Directorate can make correspondences or conduct re-audit as per audit reply. Construction store and store related offices such as PBS and its mini and force work orders will also be under the scope of audit.
- (b) An audit team comprising of at least three (3) officials at the level of Dy. Director (as team leader) and Assistant Director (as members) from the Directorates of Accounts & Finance Division, BREB will be constituted with the approval of the Chairman, BREB for conducting audit in the Internal Audit Directorate.

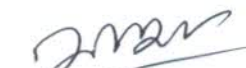
Revision:

BREB INSTRUCTION 600-28 (INTERNAL AUDIT PROCEDURES MANUAL)				
Original Date	Reviewed by	Approved by	Page	Revision No.
30-03-1985	BREB	BREB Board	2	2
Revisions : 01-08-2013, 19-02-2020				


(Md. Mozibur Rahman)
Consultant TAPP, BREB


(Md. Duhidul Islam)
Consultant, TAPP, BREB


(Md. Mozammel Haq)
Consultant TAPP, BREB


(Md. Abdul Khaleque)
Consultant, TAPP, BREB


(Md. Ahsanul Haque)
Consultant, TAPP, BREB


(Debasish Chakraborty)
PD, TAPP, BREB


(Susan Mollik)
Asst. Secy. (Board), BREB.

- (c) The Office of the Project Director(s) utilizing Foreign Aid and GOB Fund will be audited by the auditors of FAPAD, and the PD offices which are utilizing only GOB Fund will be audited (Civil Audit) by the auditors from the Office of the Accountant General. From BREB side, Internal Audit Directorate will also conduct audit of the Office of the Project Director(s). In addition, while conducting audit of Accounting records and Financial Statements of BREB, CA Firm Auditors will check the same with the records maintained by the Office of the Project Director (s).

IV. Auditing Standards

Auditing standards related to the quality of the work are to be performed and the objectives are to be attained by the use of procedures undertaken. Standards may differ from auditing procedures, for which the specific steps are to be taken by the auditors to attain the objectives in the assignment.

There are three (3) types of standards to be considered and followed:

(a) General Standards

Under general standards, the auditor himself is considered. The examination should be performed by persons who have adequate proficiency in auditing and knowledge of policies and procedures of the BREB including charter of duties assigned to the Branches and the Directorates. In addition, in all matters relating to the assignment, independence in mental attitude should be maintained by everyone concerned with the audit. Due professional care should be exercised in conducting the audit and in preparing reports thereof.

Revision:

BREB INSTRUCTION 600-28 (INTERNAL AUDIT PROCEDURES MANUAL)				
Original Date	Reviewed by	Approved by	Page	Revision No.
30-03-1985	BREB	BREB Board	3	2
Revisions : 01-08-2013, 19-02-2020				

(Md. Mozibur Rahman)
Consultant, TAPP, BREB

(Md. Duhidul Islam)
Consultant, TAPP, BREB

(Md. Mozammel Haq)
Consultant, TAPP, BREB

(Md. Abdul Khafeque)
Consultant, TAPP, BREB

(Md. Ahsanul Haque)
Consultant, TAPP, BREB

(Debasish Chakraborty)
PD, TAPP, BREB

(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

(b) Examination Standards

Each assignment should be properly planned, giving due consideration to:

- Needs of the users of the report;
- Precise definition of audit objectives;
- Knowledge of the office being audited;
- Materiality and significance of underlying issues;
- Nature and extent of evidence required;
- Reporting requirements;
- Staff conducting the audit should be properly supervised;

Also, an organized study and evaluation should be made of the system of financial management and control to assess the extent to which controls can be relied on in order to:

- Safeguard the assets of BREB ;
- Provide accurate information;
- Ensure compliance with all policies and instructions;
- Determine the extent, the nature and the timing of audit tests needed to verify evidence and controls.

Competent and relevant evidence in sufficient quantity should be obtained to afford a reasonable basis to support conclusions and recommendations.

The audit work papers to be prepared in terms of procedures prescribed in the 'Orientation and Training Manual' of Internal Audit Directorate should make reference to procedures followed in planning and conducting the examination, reviewing its progress, and recording of important decisions relating to the audit.

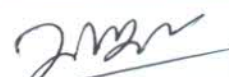
Revision:

BREB INSTRUCTION 600-28 (INTERNAL AUDIT PROCEDURES MANUAL)				
Original Date	Reviewed by	Approved by	Page	Revision No.
30-03-1985	BREB	BREB Board	4	2
Revisions : 01-08-2013, 19-02-2020				


(Md. Mozibur Rahman)
Consultant TAPP, BREB



(Md. Duhidul Islam)
Consultant TAPP, BREB


(Md. Mozammel Haq)
Consultant, TAPP, BREB


(Md. Abdul Khaleque)
Consultant, TAPP, BREB


(Md. Ansanul Haque)
Consultant, TAPP, BREB


(Debasish Chakraborty)
PD, TAPP, BREB


Mollik
Asst. Secy. (Board), BREB.
৬১১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

