An Internship Report

on

Perception of Existing Employees Towards Perception of Existing Employees Towards Significance of External Auditors on The Examination of Financial Statement: A Study on Janata Bank Limited.

This report is submitted to the Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the fulfillment of the degree of Master of Business Administration (MBA) in Accounting and information systems

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Hajee Mohammad Danesh Science and Technology University

Dinajpur−5200, Bangladesh.

April, 2023

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Acknowledgement

I should offer my significant thanks to almighty Allah for his benevolent actions, inspiration and favor gave on me over the span of my academic pursuit.

Special gratitude goes to my honorable supervisor Md. Mamunar Rashid, Professor, Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, for his thoughtfulness and bearings and the time he took to peruse this work which made it a triumph.

I might want to thank my honorable co-supervisor Saiful Islam, ACMA, Associate Professor, Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, whose help, recommendation and co-activity in setting up the report. After that, I might want to offer my thanks to Md. Forhad Hossain, Principal Officer and Manager, who has been a stunning instructor during my Internship period and directing me every possible way and giving me data about Perception of Existing Employees Towards Significance of External Auditors on The Examination of Financial Statement: A Study on Janata Bank Limited. Lastly, I would like to thank all the colleagues of the bank who had been a great support during my Internship period.

I owe likewise, a ton of gratitude to my parents for their monetary support to guarantee that my instructive blessings and furthermore this task turns into a triumph. I might want to thank from the core of my heart to my friend Mostarina khatun who are connected with making of this report and make it achievement.

I might want to communicate my obligation to my report all the educators, Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, for encouraging me and giving me help with setting up the report.

………………………
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Certificate from the Organization Where Internship Done

JANATA BANK LIMITED

জনতা ব্যাংক লিমিটেড

প্রধান কার্যালয় ঃ জনতা ভবন
পোস্ট বক্স নম্বর ঃ ৪৬৮, ১১০ মতিঝিল বা/এ, ঢাকা-১০০০
ফ্যাক্স ঃ ৮৮০-২-৯৫৬৪৬৪৪, টেলেক্স ঃ ৬৭৫৮৪০ জেবিডি বিজে
Website: www.janatabank-bd.com
পিএবিএক্স ঃ ৯৫৬০০০০, ৯৫৬০০৩৯, ৯৫৫৬২৪৫-৪৯,

Pulhat Branch
Dinajpur
Phone:02589923348
Email:jb0298@janatabank-bd.com

Reff: Internee /Certificate/ID1603132/FH/105

Date:03/04/2023

To WHOM IT MAY CONCERN

This is to certify that Md. Rashel Ahmed a student of MBA in AIS, Student Id:1603132, Faculty of Business Studies, Department of Accounting at Hajee Mohammad Danesh Science & Technology University,Dinajpur has successfully completed his 90 (Ninety)days of Internship program.

During the period of his internship program with us, he had been exposed to different processes and was found diligent, hardworking and inquisitive.

We wish him every success in his life and career.

Md. Forhad Hossain
Manager
Janata Bank Limited
Pulhat Branch, Dinajpur

Certificate of Supervisor

I hereby declare that the concerned report on *‘Perception of Existing Employees Towards Significance of External Auditors on The Examination of Financial Statement: A Study on Janata Bank Limited.’* is a work done by Md. Rashel Ahmed, Student ID No: 1603132, MBA in Accounting and Information Systems, and Faculty of Business Studies. To fulfill a requirement for the degree of MBA in Accounting and Information Systems, at Hajee Mohammad Danesh Science and Technology University, Dinajpur- 5200, his internship report program was finished under my supervision.

I wish him every success in life.

………………………

Md. Mamunar Rashid
Professor
Department of Accounting
Faculty of Business Studies
HSTU, Dinajpur.

Certificate of Co-supervisor

I hereby certify that Md. Rashel Ahmed, Student ID No: 1603132 , This internship report titled '*Perception of Existing Employees Towards Significance of External Auditors on The Examination of Financial Statement: A Study on Janata Bank Limited.*' has been submitted with the institute in fulfillment of the degree of MBA in Accounting and Information Systems. We have gone through the report and have tried to come out with the best within the capacity of the student. The report has been accepted and may be presented before the defense committee for evaluation and assessment.

I wish him every success in life.

……………........…………
Saiful Islam, ACMA
Associate Professor
Department of Accounting
Faculty of Business Studies
HSTU, Dinajpur.

Student declaration

I hereby declare that the study entitled '*Perception of Existing Employees Towards Significance of External Auditors on The Examination of Financial Statement: A Study on Janata Bank Limited.'* embodies the result of my own works and efforts, prepared under the supervision of Md. Mamunar Rashid, Professor, Department of Accounting, Hajee Mohammad Dansesh Science and Technology University, Dinajpur.

I have tried my level best to get together as much information as possible to enrich the report. I believe that it was a great experience and it has enriched both my knowledge and experience.

This report has been submitted to Hajee Mohammad Danesh Science and Technology University, Dinajpur, in order to satisfy the prerequisite for the degree of MBA in Accounting and Information Systems.

………………………

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Abstract

The purpose of this study was to evaluate the significance of external auditors in reviewing the financial statements of the Janata Bank Ltd.The financial sector in Bangladesh and elsewhere has recently become so unique, challenging, and gravely serious, and has been portrayed by deliberate, misrepresentation, error, and embezzlement of assets in the bank, whose impact has undeniably shaken the nation's overall economy. To gather data for this project effectively and efficiently, primary and secondary techniques were both employed. The researcher designed and advanced questionnaires for Janata Bank Ltd. to gather primary data. The survey's findings were analyzed for the study's comprehension using tables with straightforward percentages, journals, manuals, address notes, and other sources, while secondary data was gathered from course texts. The Z-test equation was used to evaluate the hypothesis. The study's findings show that reviewing Janata Bank's financial records or statements by an outside auditor can help identify and stop frauds, mistakes, and asset theft in institutions. There were suggestions given to the Pulhat Branch administration of Janata Bank Ltd.

Keywords : External Auditor, Questionnaire, Financial Statement, Institutions

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Chapter 1

Introduction

1.1. Background of the study

It is obvious that corporate institutions are using enormous amounts of money and resources. The scale and dollar value of public sector projects have recently increased dramatically. This uptick in activity has increased internal interest in accountability.

One element of accountability is auditing. Financial auditing increases the capacity of public records because it provides an independent assessment of whether the financial in sequence reflects a truthful and light perspective financial standing of the institution, internal controls and adherence to rules and laws.

This auditing duties as an external auditor include reviewing the institution's financial reports to determine whether they have been prepared in accordance with generally accepted accounting principles (GAAP), as well as any relevant laws, morals, regulations, as well as may have helped spot any fraud that may have slipped in. Since the financial institutions of public institutions use a large amount of money-related assets, errors that will typically result in misrepresentation may exist and go undetected in the report. The report can be purposely deceptive due to inaccuracies or omissions, or it might leave out important details. Due to his independence from the board, the external auditor may have discovered all of these through his audit job. The consistency of External auditors are a better option for ensuring high moral standards with an institution because they are only infrequent visitors to the organization and can only look for a portion of the amounts of transactions. Internal auditors won't always be involved immediately in the implementation of strategies within an organization that would include ethnic-based policies. As a result, the administration's power to change an institution's racial makeup is largely based on what they do. The ability of external audit to back the approval of ethnic principles is greatly increased if the administration is set up to create strategies for requiring the highest ethnical norm from employees and demonstrates that they themselves uphold these standards. The researcher is interested in finding out how external auditors are positioned during the financial statement review in light of these variables.

1.2. Statement of the problem

Every firm wants to turn a profit. A profit is realized when total income exceeds entire operating expenditures and a loss when the reverse is true. Given the aforementioned, it is essential for businesses to make an effort to manage their projects profitably in order to fulfill their goal. They do this by putting up various auditing frameworks to match these. Economic anomalies, fraud and theft of money, as well as effective outside audit actions, have been put in place in the bank to assist the administration in examining the aforementioned factors. These measures also force quality help (product) while simultaneously driving down costs and forcing customer recognition. Even though there is an inside audit system in place, the bank nonetheless encounters some financial oddities that in good time this investigation to consider the role that external auditors play in the review of the bank's financial statements.

1.3. Objectives of the study:

The study's primary goal is to assess the impact of external auditors on the review of financial statements.

- To assess the worth of outside examiners in examining the financial statements of the Janata Bank Ltd. Pulhat Branch.
- To learn about the cutting-edge techniques the auditor administration uses to reduce fraud, mistakes, and embezzlement.
- To locate the problem with the financial statement examination.

1.4. Research questions

The study was influenced by the following research inquiries;

- What role do outside auditors have in evaluating Janata Bank Ltd.'s financial statements?
- What cutting-edge techniques do the auditors and management use to cut down on errors and theft?
- How would we distinguish the issues related to the financial statement inspection?

1.5. Research hypotheses

One Hypothesis:

H0: There is no connection between the bank's financial statements and the audit investigation.

H1: The bank's financial statements and the audit examination are connected.

Two Hypotheses:

H0: The auditor's report does not give a truthful and fair picture of the institution's performance.

H1: The auditor's report gives a true and fair picture of the institution's performance.

1.6. Significance of the study

This examination would hold any importance with the administration and representatives of Janata Bank Ltd.

- The analysis would serve as a resource for many scholars who might need to conduct additional research on this or a closely connected issue.
- The investigation would increase the researcher's depth of understanding
- Additionally, it would meet the requirements for the master of business administration in accounting honor.

1.7. Scope/Limitation of the study

To learn everything there is to know about this and make sure you understand the study by the researcher centers on how external auditors affected Janata Bank Ltd.'s review of its financial statements. Branch Pulhat By addressing the relevant areas and subjects, the researcher will establish the parameters for this investigation. Discussions cover the significance of external auditors, what they do, what that means for audit institutions, how crucial they are in identifying fraud, how thorough their exams are, and how they relate to the evaluation of financial statements. The researcher's efforts to produce a solid examination yield were constrained by a number of factors. The researcher was constrained by the analyst's need to finance the project with meager financial resources, which were wisely beneficial to the venture's success. One more prominent limitation is the unhelpful disposition of a number of staff of Janata Bank Ltd. Pulhat Branch. They were hesitant to acknowledge survey routed to them and where they did some indispensable inquiries kept unanswered.

Chapter 2

Literature review

Kassem and Higson (2016) undertook a research project whose objective to ascertain what part external auditors play in corporate wrongdoing and what consequences there may be for external audit authorities. The study investigated the roles of external auditors in relation to corporate corruption and the effect of corruption on the financial statements using information from prior literature, depending on the theoretical approach. Using information from actual corruption cases, the study also examined the possible impact of corporate misbehavior on the audit profession. The results demonstrated that it is the duty of external auditors to uncover significant falsifications brought on by corruption that would materially influence the financial statements.

DiG abriele and Ojo (2014) The dual responsibilities of external auditors and their impact on independence and objectivity were emphasized, along with an analysis of whether it is suitable for external auditors to take on internal auditors' obligations or not. The study's methodology is theoretical in nature and covers topics such as supervisory expectations for internal audit function, changes in internal and external auditor roles and their implications in the wake of the Enron scandal, and limitations on the use of internal audit roles. The report also addressed the effect of internal auditor compensation on the impartiality and independence of external auditors. The results demonstrated that external auditors' independence and objectivity are greatly impacted by their dual roles. Tawfeq and Jabali (2014) they wanted to understand the connection between the accounting and auditing information systems as well as how to give trustworthy data to describe a service auditor. The theoretical approach, which involves reviewing earlier studies, The study's objectives will be met by talking about the idea of accounting information systems and its elements, the significance of reviews in the context of automated information systems, and the role of auditors in the context of accounting information systems. The conclusions showed how the information networks for accounting and auditing are related. Additionally, it was discovered that the majority of accountants lack sufficient knowledge of computer operations and both the automatic and manual accounting systems.

Almeshal (2014) investigated the impact of auditor independence on accounting Information in Palestine and its significance in attaining governance requirements. A questionnaire had been created and given to the study's sample, which consisted of 79 participants who work for audit firms, in order to meet the study's objectives. The findings looked on the independence of the auditor's role in achieving governance requirements. Additionally, it was discovered that the auditor's independence plays a favorable, important impact in boosting the credibility of accounting information.

Salem (2012) analyzed the auditor's responsibility to detect financial statement deception. To achieve the goal of the research, it depends on the theoretical process by reviewing the earlier pertinent studies. According to the study, the adoption of more sophisticated technologies appears to have decreased the quantity of fraud that gets identified. The study's findings revealed that auditors need specialized training that can identify all illegal actions because they have little legal knowledge.

Jovković*et al.* (2012) highlighted the function, significance, and goals of the external investigation in Serbian banks. To achieve the study's goals, a survey questionnaire was distributed to the staff members of the 28 Serbian banks that make up the study's group. According to the study, the financial statement audit is the primary service auditors offer to banks, followed by a review of extra financial data and an institution risk assessment. The study also discovered that banks hardly ever use services for routine tax calculation, non-financial performance evaluation, and accounting. Alqaraleh (2011) examined how Jordan's external auditors perceived the impact of information technology use on the integrity of financial records. In order to achieve the study's goals, a questionnaire was developed and given to the study's group, which consists of 220 external auditors. The reliability of financial accounts is statistically significantly impacted by the use of information technology and the risk of computerized disclosure, according to Jordan's external auditors. Kassem and Higson (2016) It was established that the auditor's responsibility to discover and report misstatements resulting from illegal activity that had a direct and significant impact on the amounts determined for the financial statements was equivalent to the auditor's responsibility to do so for misstatements caused by error or fraud.

Chapter 3

Methodology of the study

3.1. Research design

The overall plan for how you will respond to your research question is called the study design. According to Sauder and Philip (2012), there are a number of decisions that should be made about the data gathering. The most common operational example of the research effort is a research design.

The purpose of the study's design is to comprehend the significance of an external auditor in the technique utilized to analyze the research topic precisely.

3.1.1. Data sources

This relates to the original source of the data. The two crucial sources, i.e. primary data and secondary sources were used to complete the research.

3.2. Secondary information

3.2.1. Primary sources of data

Primary data are the facts discovered by close contact with the respondents.

Questionnaires:

It includes a planned line of questioning regarding what an external auditor is and how Janata Bank Limited's financial statements are examined. The ninth-ranked survey was regulated to a quantifiably determined sample size. Basic construction questions are used in the questionnaire, and there are five scale strategies: strongly agree (SA), agree (A), disagree (D), severely disagree (SD), and undecided. (UD).

Interview:

It is a vocal exchange between the one looking for information and the other individual being that is used to acquire oral information from that person (Interviewer). This tactic provided incredibly useful data that was not possible using the questionnaire method.

3.2.2. Secondary data

Data that is gathered by a user other than the main user is referred to as secondary data. These facts were discovered in reports, financial statements, account and budget plans, publications, and other sources. In this instance, the data came from an official document.

3.3. Research instrument

A device designed for estimating data recording is a research instrument. The techniques for gathering relevant data should be used to address the research problems. The researcher is upset about how the questionnaire, in-person interview, and direct examination of financial documents were used to collect the necessary data.

A questionnaire was created and administered to the Janata Bank Limited representatives in order to collect important data for this task's analysis and interpretation. Multiple-choice (closed-ended) questions were used in the questionnaire's question arrangement.

3.4. Validity and dependability of the research tool

The repeatability of an estimating tool's outcomes is known as its reliability. The statistical tool used for data analysis determines how reliable the instrument is.

The extent to which an instrument scores on has been used to describe its validity. Instead of regular or irregular errors, it reflects actual individual differences on the brand that we are trying to quantify. Its validity and reliability are unquestionably still used by other researches because the data collected were also reduced into evaluated structures to examine the data pretty well.

3.5. Population

Oze (2007) the population is defined as every person or thing that is taken into account. Employees of the bank make up the study's population. There are 70 of them. These departments were as follows:

SL No.	Department	No. of Staff
1.	Accounting/Auditing	23
2.	Marketing	19
3.	Security	15
4.	Budgeting/Planning	13
	Total	70

3.6. Sample size and sample techniques

Any portion of a population researched for conjecture is included in the sample size. The "Sample Random" basic strategy is the example methodology used for this research project. This is a way whereby all bank employees have the opportunity to be picked, but more people who are fully informed about the bank's external examination are chosen. Yaro Yameni's (2000) statistical model was used to assure the selection of an accurate sample size. The formula states thus:

$$n = \frac{N}{1 + Ne^2}$$

in which n is the sample size.

Size of the population, N

e = 5% level of significance.

1 is a fixed number.

For the purposes of this research, the level of significance (e) is 5%, or 0.05, which is the upper bound of our 95% confidence interval.

Since e = 5% or 0.05 and n = 60 N = 70

By entering the aforementioned value into the formula, we obtain that:

$$n = \frac{70}{1 + 70(0.05)^2}$$

$$n = \frac{70}{1 + (0.175)}$$

$$n = \frac{70}{1.175}$$

$$n = 60$$

The researcher gives the staff a sample questionnaire to complete for the study, and there are 60 people in the population sample.

The probability sampling method was employed in this investigation. Simple random or stratified random can be used in probability sampling. Because of the sample's random sampling, generalization is possible.

Bowley's proportionate formula was employed by the researcher to get the sample size from each staff member.

$$nh = \frac{n \text{ x } Nh}{N}$$

Where

nh is the number of questionnaires distributed to each employee.

Total sample size is n.

Nh is the number of employees in each demographic group.

Size of the population, N.

(1) Accounting/Auditing:

$$nh = \frac{60 \times 23}{70} = 20$$

(2) Marketing:

$$nh = \frac{60 \times 19}{70} = 17$$

(3) Security:

(4) $nh = \frac{60 \times 15}{70} = 13$

(5) Budgeting/Planning:

$$nh = \frac{60 \times 13}{70} = 10$$

Table Shown Below:

Department	No. of Staff	No. of Sample
Accounting/Auditing	23	20
Marketing	19	17
Security	15	13
Budgeting/Planning	13	10
	70	60

3.7. Management of a research instrument

The researcher administered in person monitored survey to Janata Bank Limited employees. The chosen responders of each staff were given the questionnaires by hand and self-delivery. Every piece was examined by the researcher to received the full amount of questionnaires, all of which were delivered and recovered to the researcher. Each segment's questionnaires were carefully selected.

3.8. Approach to data analysis

In order to examine and interpret the information and data, it was displayed and analyzed in tabular form using a sample percentage distribution.

The chapter one null hypothesis is tested using the Z-test method.

The following is the formula:

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

Where:

Z = Test Statistic

$\bar{X}_1$= Mean of sampled 1

$\bar{X}_2$= Mean of sampled 2

SD_1 = Standard deviation for sample 1

SD_2 = Standard deviation for sample 2

n1 = Sample Size for sample 1

n2 = Sample size for sample 2

3.9. Decision-making standard for hypothesis validity

If the Z computed value is greater than the Z critical value, reject the null hypothesis (Ho) and support the alternative hypothesis (H1). Otherwise, do not reject the null hypothesis.

Chapter 4

Analysis and interpretations

The response received from the expected respondent is used to inform the interpretation and data analysis for the objective of making this data analysis more understandable. These responders work in a variety of disciplines, including marketing, security, budgeting, and accounting/auditing. These respondents' classes are sensible and knowledgeable on the subject.

Only 56 of the 60 questionnaires that were sent were returned. A set of questions and an oral interview were used to get the data, which was then put together in a table and computed to get the percentage needed to assess the findings.

The following is an analysis of the distributed questionnaire:

4.1. Distribution and return of questionnaire

Table 4.1: Distribution and submission of the survey

SL No	Staff of Janata Bank Limited Section/Department	No. of Questionnaire distributed	Number Returned	Percentage %
1.	Accounting/Auditing	20	18	32
2.	Marketing	17	16	29
3.	Security	13	12	21
4	Budgeting/Planning	10	10	18
	Total	60	56	100

Source: playing field investigation, 2021

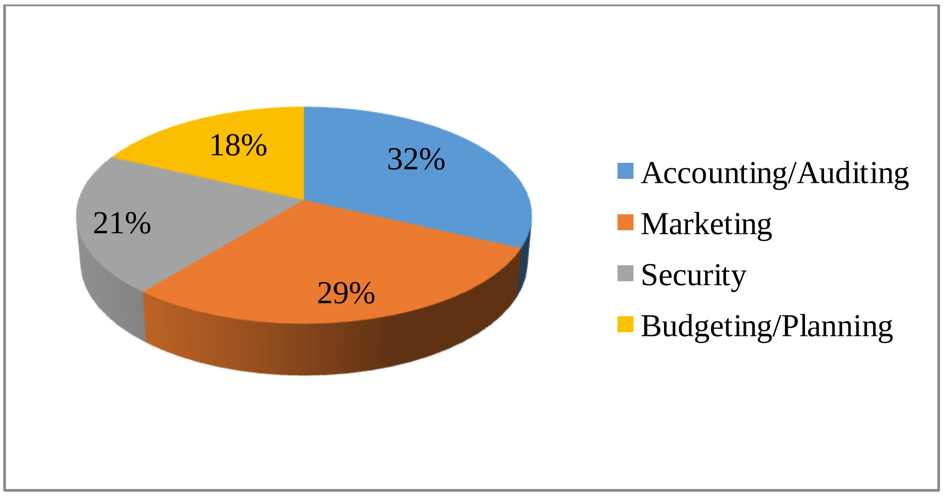

Figure 4.1: Distribution and return of questionnaire

Interpretation: According to the aforementioned table, 32% representing 18 respondents returned their survey from 20 respondents in accounting/auditing, 29% representing 16 respondents returned their survey from 17 respondents in marketing, 21% representing 12 respondents returned their survey from 13 respondents in security, and 18% representing 10 respondents returned their survey from 10 respondents in budgeting/planning.

Table 4.2: The function of an external auditor in examining, overseeing, and controlling an institution's financial records.

SL No.	Response Option	Number of response	Percentage %
a.	Strongly agreed	45	80
b.	Agreed	10	18
c.	Strongly disagreed	1	2
d.	Disagreed	-	-
e.	Undecided	-	-
	Total	56	100

Source: playing field investigation, 2021

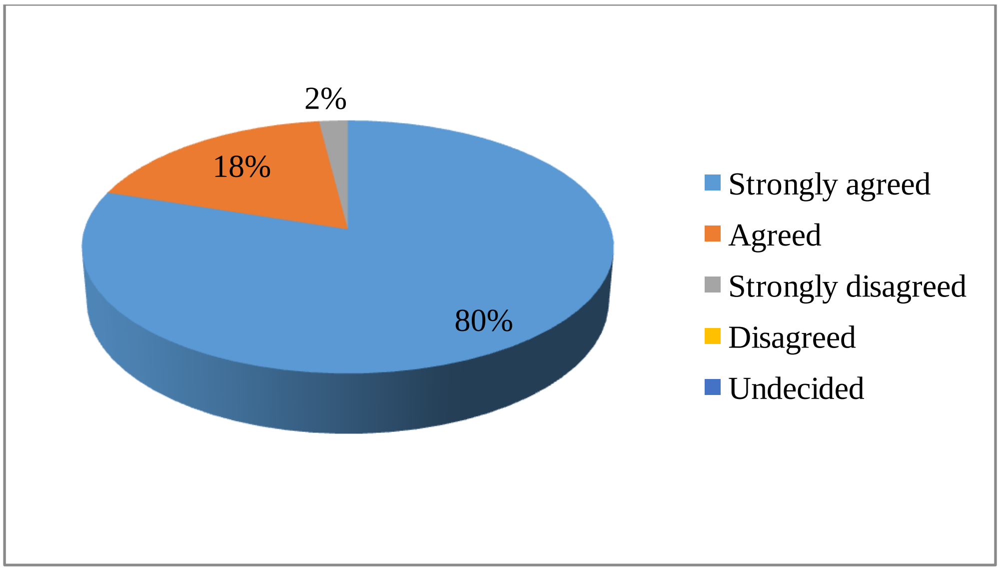

Figure 4.2: An institution's financial records are checked, monitored, and controlled with the assistance of an external auditor.

Interpretation: According to the aforementioned tables, 80% of respondents, or 45 respondents, strongly agreed that external assistance should be used to examine, keep an eye on, and regulate institutions' financial accounts or records; 18% of respondents, or 10 respondents, also strongly agreed; 2% of respondents, or 1 respondent, disagreed; and there was no option for disagreed or undecided.

Table 4.3: An institution has require for an auditor

SL No.	Response Option	Number of response	Percentage %
a.	Strongly agreed	40	71
b.	Agreed	10	18
c.	Strongly disagreed	5	9
d.	Disagreed	1	2
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

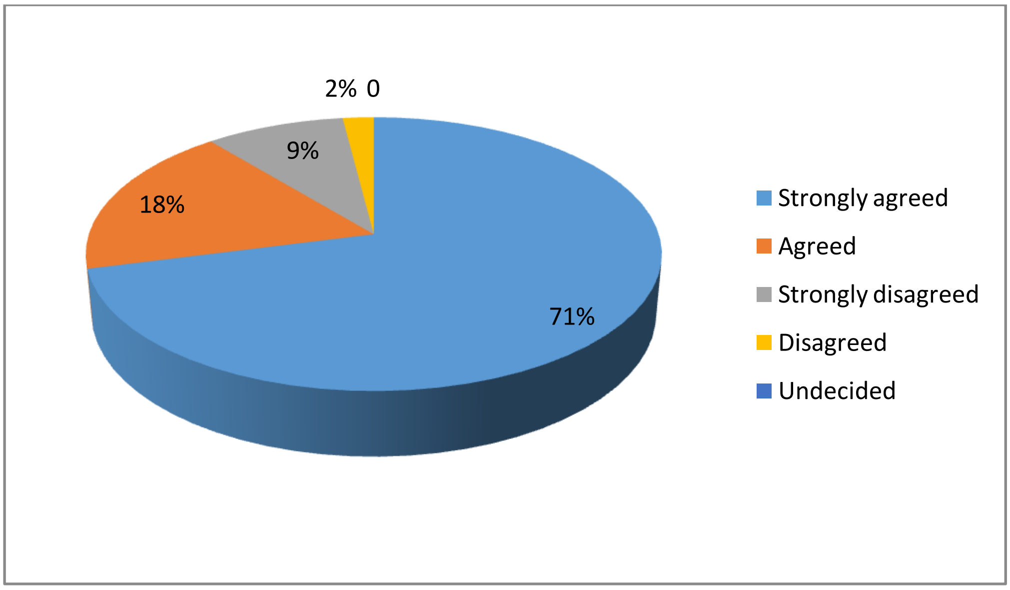

Figure 4.3: An institution has need for an auditor

Interpretation: According to the chart above, 40 respondents, or 71% of them, strongly agreed that the institution needed an auditor. 18% of the 10 respondents agreed, 9% of the 5 strongly disagreed, 2% of the 1 disagreed, and there was no alternative for the unsure.

Table 4.4: Time constraints, financial difficulties, and delays in providing information and records to the external auditor, among other issues, prevent the bank's financial statements from being properly examined.

SL No.	Response Option	Number of response	Percentage %
a.	Strongly agreed	39	70
b.	Agreed	11	19
c.	Strongly disagreed	5	9
d.	Disagreed	1	2
e.	Undecided	-	-
	Total	56	100

Source: Field survey, 2021

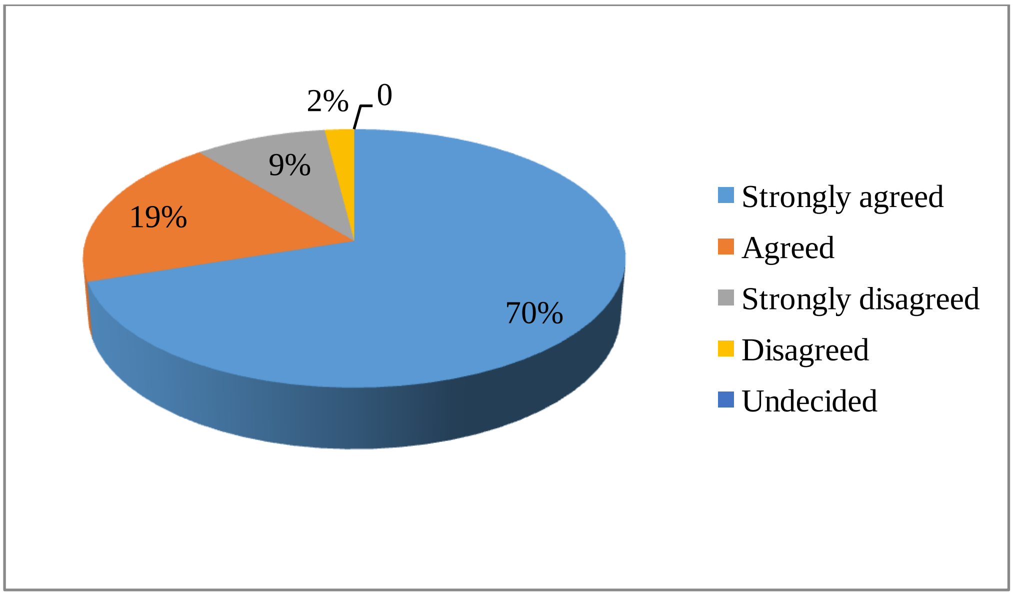

Figure 4.4: issues such as a delay in providing records or information to the external auditor

Interpretation: According to the above table, 70% of respondents, or 39 respondents, strongly agreed that issues like time constraints, financial difficulties, and refusal to provide information or records to the external auditor hinder proper examination of the bank's financial statements. Only 19% of respondents, or 11 respondents, agreed. Agreed, 11% for 5 strongly disagreeing respondents, 2% for 1 disagreeing respondent, and no option for uncertain.

Table 4.5: The auditor's statement provides a true in addition to fair assessment of the institution's performance.

SL No.	Response Option	Number of response	Percentage %
a.	Strongly agreed	35	62
b.	Agreed	16	29
c.	Strongly disagreed	3	5
d.	Disagreed	2	4
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

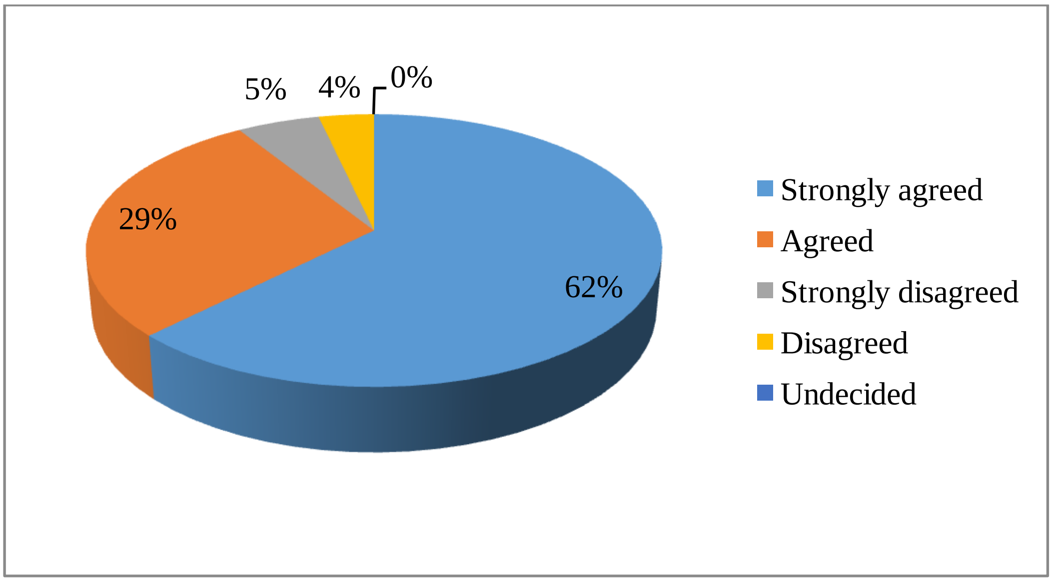

Figure 4.5: The auditor's statement gives a accurate and light picture of the institution's performance.

Interpretation: According to the aforementioned table, 62% of 35 respondents, or 35 respondents, strongly agreed that the auditor report provided a accurate and light picture of the institution's presentation. 16 respondents, or 29% of respondents, also strongly agreed. However, 5% of respondents, or 3 respondents, disagreed strongly. 2 respondents, or 4% of respondents, disagreed. There was no option for undecided.

Table 4.6: The bank's financial statements and the audit examination are connected.

SL No.	Response Option	Number of response	Percentage %
a.	Strongly agreed	46	82
b.	Agreed	5	9
c.	Strongly disagreed	2	4
d.	Disagreed	3	5
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

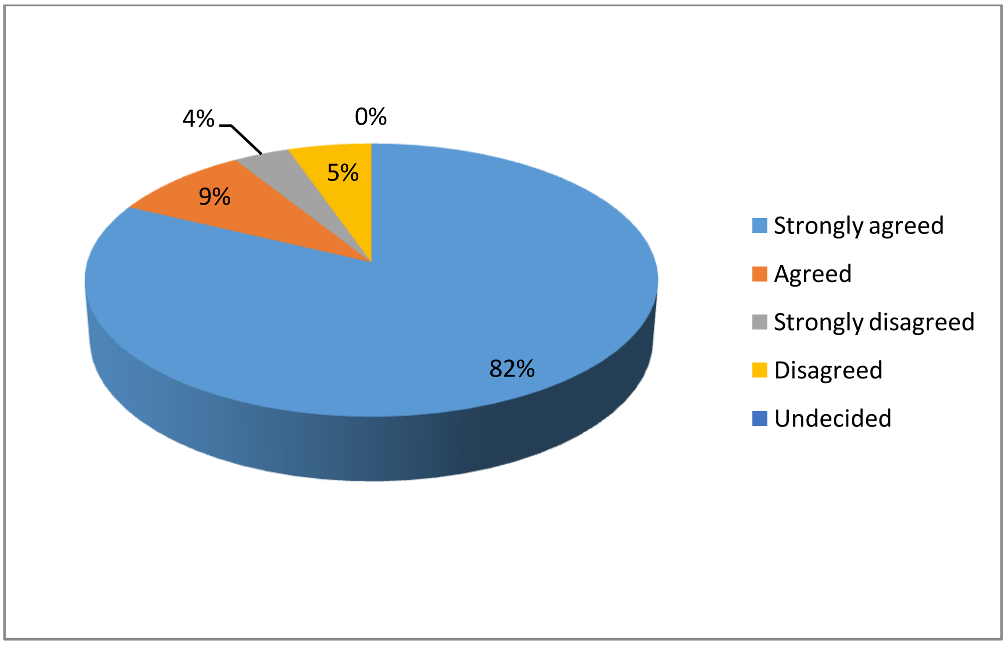

Figure 4.6: The bank's financial statements and the audit examination are connected.

Interpretation: According to the aforementioned board, 82% of respondents, or 46 respondents, strongly agreed that there is a connection between the bank's financial statements and the audit examination. 9% of respondents, or 5 respondents, also agreed. 4% of respondents, or 2 respondents, disagreed strongly. 5% of respondents, or 3 respondents, disagreed. There was no option for undecided.

Table 4.7: The detection and elimination of fraud, mistakes, embezzlement of customers' funds, and other financial irregularities in the bank are made possible by proper financial records and internal control systems.

SL No.	Reply Option	figure of response	Percentage %
a.	Strongly agreed	30	53
b.	Agreed	15	27
c.	Strongly disagreed	6	11
d.	Disagreed	5	9
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

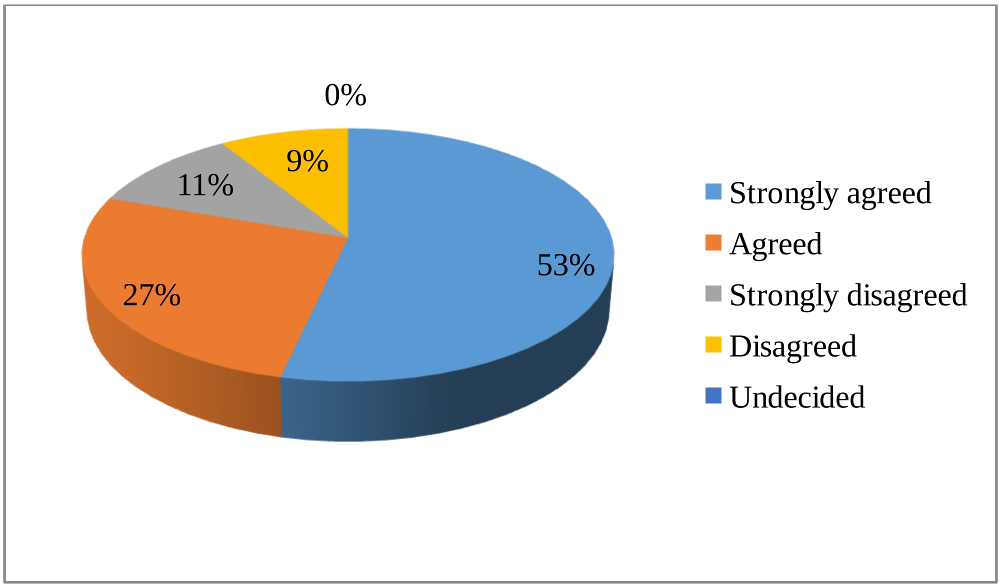

Figure 4.7: Internal control systems and proper financial records are essential for identifying and preventing bank fraud and errors.

Interpretation: According to the above table, 53% of 30 respondents, or 30 respondents, strongly approved that maintaining accurate financial report and an interior control system helps identify and eradicate deception, error, and the misappropriation of customers' money for financial abnormality in banks. Meanwhile, 27% of 15 respondents, or 15 respondents, agreed, 11% of 6 respondents, or 6 respondents, disagreed strongly, 9% of 5 respondents, or 5 respondents, disagreed, and there was no option for undecided.

Table 4.8: In your institution, there is an audit program.

SL No.	reply Option	figure of response	Percentage %
a.	Strongly agreed	16	29
b.	Agreed	12	21
c.	Strongly disagreed	20	36
d.	Disagreed	5	9
e.	Undecided	3	5
	Total	56	100

Source: Field investigation, 2021

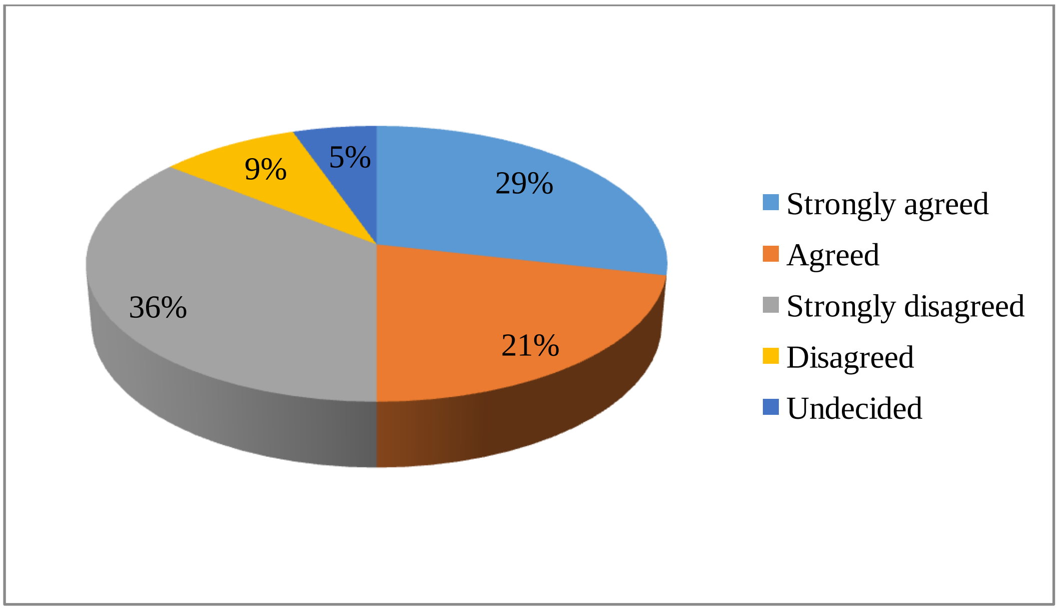

Figure 4.8: Auditors do have an audit program in your institution

Interpretation: According to the aforementioned table, 29% of 16 respondents highly agreed, 21% of 12 respondents agreed, 36% of 20 respondents strongly disagreed, and 5% of 3 respondents were undecided about whether auditors have an audit program in your institution.

Table 4.9: The external auditor would assign tasks to his helpful staff members.

SL No.	Response Option	figure of response	Percentage %
a.	Strongly agreed	27	48
b.	Agreed	14	25
c.	Strongly disagreed	11	20
d.	Disagreed	4	7
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

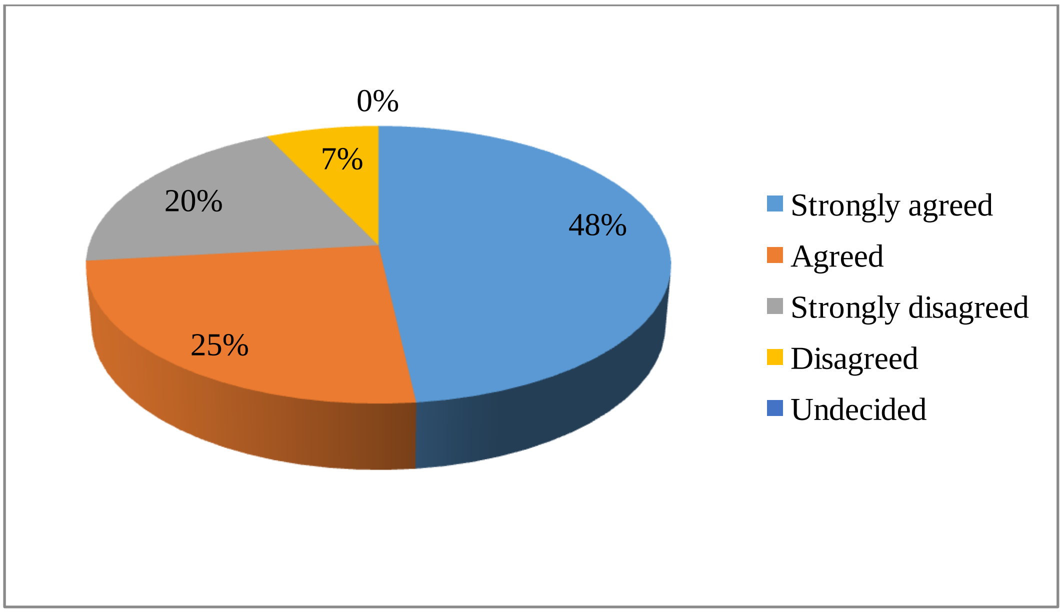

Figure 4.9 The external auditor would assign tasks to his helpful staff members.

Interpretation: According to the above table, 48% of 27 respondents, or 27 respondents, strongly agreed, followed by 25% of 14 respondents who also strongly agreed, and 20% of 11 respondents who also strongly agreed that the external auditor has supportive staff to whom he would assign responsibilities, or 11 respondents, who strongly disagreed, and 7% of 4 respondents, who disagreed. There was no option for undecided.

Table 4.10: Institution pays dividends to shareholders later than expected

SL No.	Response Option	figure of response	Percentage %
a.	Strongly agreed	34	61
b.	Agreed	16	28
c.	Strongly disagreed	5	9
d.	Disagreed	1	2
e.	Undecided	-	-
	Total	56	100

Source: Field investigation, 2021

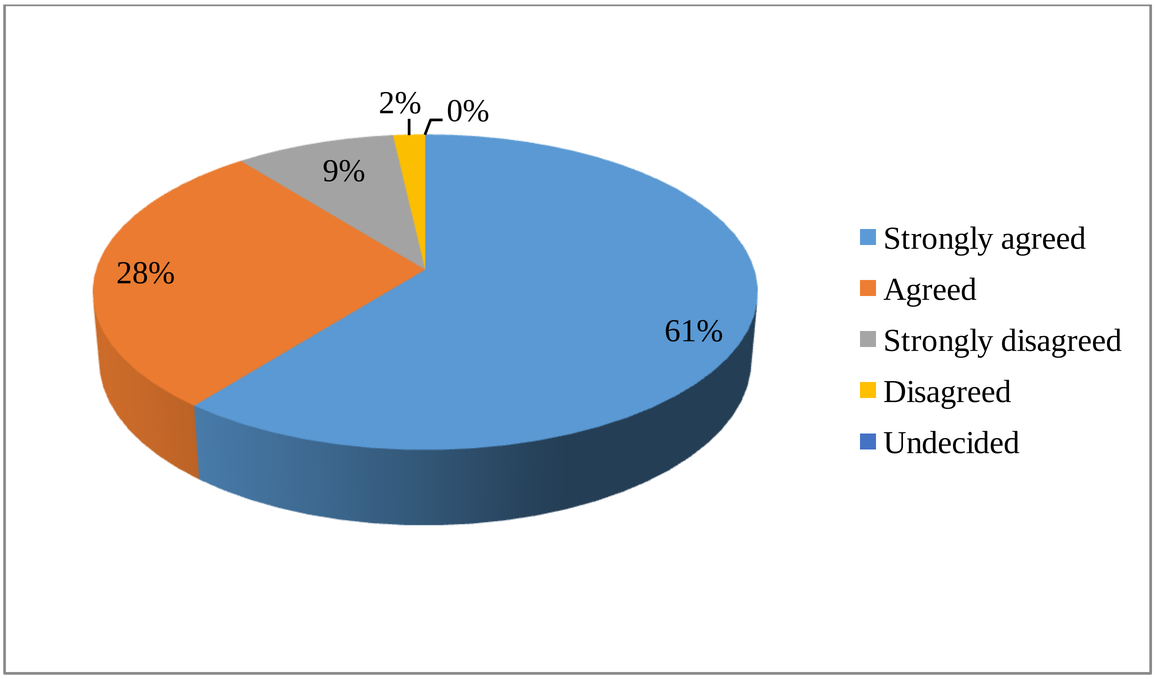

Figure 4.10: Institution delay in paying dividend to its shareholders

Interpretation: According to the above table, 61% of 34 respondents, or 34 respondents, strongly agreed that the institution should not delay paying dividends to its shareholders. Of the remaining respondents, or 16 respondents, 28% agreed, 9% agreed, and 1 respondent disagreed. There was no option for undecided.

4.2. Hypothesis testing

We will tie each questionnaire item to the restaurant hypothesis that will be examined in order to test the two hypotheses that were stated in chapter one, and then we will test for validity and reliability using the z-test method.

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

Where:

Z = Test statistic

$\bar{X}_1$=Mean of sample (i.e. group of respondent that agreed)

$\bar{X}_2$ = Mean of sample 2 (i.e. group of respondent that disagreed)

SD_1 = Standard deviation for sample 1

SD_2= Standard deviation for sample 2

n_1= Sample size for sample 1

n_2 = Sample size for sample 2

4.2.1. Test of Hypothesis One

Ho: The bank's financial statements and the audit examination have no connection to one another.

Hi: The bank's financial statements and the audit investigation are connected.

Using the Z test model to analyze the data in the table

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

Table 4.11: Test of hypothesis one

Sl No	Staff	figure of Respondent	Group that Agree (x_1)	Group that Disagree (x_2)
a.	Accounting / Auditing	18	17	1
b.	Marketing	16	14	2
c.	Security	12	12	0
d.	Budgeting / planning	10	9	1
	Total	56	$\sum x_1 = 52$	$\sum x_2 = 4$

The Z – Test

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

$$Z = \frac{13 - 1}{\sqrt{\frac{(3.37)^2}{4} + \frac{(0.82)^2}{4}}}$$

$$Z = \frac{12}{\sqrt{\frac{11.36}{4} + \frac{0.67}{4}}}$$

$$Z = \frac{12}{\sqrt{2.84 + 0.17}}$$

$$Z = \frac{12}{\sqrt{3.01}}$$

$$Z = \frac{12}{1.74}$$

$$Z = 6.89$$

Note

i. 0.05 is the level of significance.

ii. The alternative hypothesis should be accepted if the Z calculated value is less than the critical value of 1.96 and should be rejected if it is higher than the critical value of 1.96, according to the decision rule.

iii. For the two tail test to compare the critical value with the estimated value at a significance level of 0.05, the (+1.96) is the critical value of 2 for the test.

A vital value is (1.96)

Calculated value: 6.89

We will reject the null hypothesis and support the alternative hypothesis because the computed value Z is greater than the important value, which suggests a connection between the alternative hypothesis and the bank's financial statement.

4.2.2. Test of Hypothesis Two

Ho: The auditor's report does not give a true and impartial picture of the institution's performance.

Hi: The auditor's report offers a fair and accurate assessment of the institution's performance.

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

Table 4.12: Test of hypothesis two

Sl No	Staff	Number of Respondent	Group that Agree (x_1)	Group that Disagree (x_2)
a.	Accounting / Auditing	18	4	14
b.	Marketing	16	3	13
c.	Security	12	1	11
d.	Budgeting / planning	10	2	8
	Total	56	$\sum x_1 = 10$	$\sum x_2 = 46$

The Z – Test

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(SD1)^2}{n_2} + \frac{(SD2)^2}{n_2}}}$$

$$Z = \frac{2.5 - 11.5}{\sqrt{\frac{(1.29)^2}{4} + \frac{(2.65)^2}{4}}}$$

$$Z = \frac{-9}{\sqrt{\frac{1.66}{4} + \frac{7.02}{4}}}$$

$$Z = \frac{-9}{\sqrt{0.42 - 1.76}}$$

$$Z = \frac{-9}{\sqrt{2.18}}$$

$$Z = \frac{-9}{1.48}$$

$$Z = -6.08$$

Note

i. 0.05 is the level of significance.

ii. The decision rule states that the alternative hypothesis should be accepted if the Z calculated value is less than or equal to (1.96), and rejected if it is higher. (1.96).

iii. The critical value of 2 for the two-tail test contrasting the critical value and the estimated value is (+1.96) at a significance level of 0.05.

A vital value is (1.96) ,Calculated value: -6.08

We will reject the null hypothesis and uphold the alternative hypothesis, which suggests that there is a connection between the bank's financial statement and the audit examination, because the computed number Z is more than the significant value.

Chapter 5

Findings and suggestions

5.1. Findings

The study of the data reveals the following to the researcher.

- Including external auditing as a component of the inside control system is a crucial management strategy for avoiding failures in the utilization of institutional assets at Janata Bank Limited. As a consequence, the external auditing serves as the central control's focal point in the fundamental references
- The Janata Bank's external audit section created an environment where all irregularities of any kind were eradicated.
- All respondents agreed that the role of the auditor in the analysis of the financial statements is essential, demonstrating the necessity of an external auditor for every organization.
- The fact that Janata Bank Limited has an external auditing role has improved management's understanding of daily operations. The management of Janata Bank has been persuaded that this is one of the efficient measures to be applied in order to uphold their obligations to investors.
- The majority of people speaking in the institution don't agree on what an audit program should mean.

5.2. Suggestions

The management of Janata bank Limited is given the following recommendations in light of the findings of this project.

- The bank should make sure they follow the rules outlined by accounting principles and standards in order to maintain control over the recording of all daily bank transactions and avoid omitting figures and other important financial transactions. The management of the first bank should make sure that they hire professional accountants to assist in the preparation and recording of all financial transaction in the financial statements.
- In order to conduct out internal audits and establish internal control systems to help in observing internal bank activities prior to external auditor inspections, the bank needs hire a qualified accountant to serve as its internal auditor.
- The bank should strive to make all of their clients aware of the publication of their annual reports and to make all required and pertinent information available to those who need it.
- The bank should also make sure that their shareholders receive an adequate dividend payment on time and that their customers are properly charged a reasonable percentage rate when due.

Chapter 6

Conclusions, policy implications and future work

6.1. Conclusions

An internal auditor told me during my internship that the institution gave them special attention throughout their auditing and that the auditors were also benefiting from it. They come up with the distinctive saying, "Eat first, and then work."

The following conclusions are drawn in light of the findings:

- External auditors are crucial to public limited liability businesses because they help establish the accuracy and fairness of an institution's financial statements.
- The functions that external auditors play in an institution's financial records or statements are important for preventing fraud, mistakes, theft of funds, embezzlement of people's money, and other financial irregularities, among other things.

These issues might be resolved if the shareholders receive proper and adequate dividend payments and the depositors of savings accounts and fixed or time deposits receive parentage payments at an acceptable rate.

6.2. Policy implications

An impartiality that the internal audit team at the company cannot offer is provided by an external audit. The credibility of a company's financial statements and overall financial health are greatly enhanced by the absence of bias. Employing an external auditor strengthens firm practice within the bounds of government compliance in light of the expansion of regulation. It's possible that an outside auditor will go further to find these weaknesses. Key decision-makers within the institutions will get advice from an external auditor on how to improve internal controls or even deploy automation in order to simplify business and accounting procedures. The latter's performance can be enhanced going ahead by the work of external audit, which will finally raise the institutions' auditing capacities. Their conclusions and auditing procedure give businesses the assurance and resources that their data and business practices are appropriately kosher.

6.3. Future work

This study demonstrates the issues that Janata Bank Ltd. must

- Adherence to legally required auditing requirements;
- Error reduction by using monitoring measures.
- Providing all credit term participants with real-time access to audit documents.
- Simplifying administrative tasks and ongoing automatic monitoring
- Reviewing and fixing issues as they come up.
- Improving communication among the audit team

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Appendices

Appendix A

Hypothesis 1

(a) Determining the mean for the two groups

$$\bar{x}_1 = \frac{\sum x_1}{n} = \frac{52}{4} = 13$$

$$\bar{x}_2 = \frac{\sum x_2}{n} = \frac{4}{4} = 1$$

(b) Determining the standard deviation for the two groups

Group 1 (SD_1)

X_1	$(x_1 - \bar{x}_1)$	$(x_1 - \bar{x}_1)^2$
17	4	16
14	1	1
12	-1	1
9	-4	16
$\sum x_1 = 52$		$\sum (x_1 - \bar{x}_1)^2 = 34$

Group 2 (SD_2)

X_1	$(x_1 - \bar{x}_1)$	$(x_1 - \bar{x}_1)^2$
1	0	0
2	1	1
0	-1	1
1	0	0
$\sum x_2 = 4$		$\sum (x_2 - \bar{x}_2)^2 = 2$

Group 1 (SD_1)

$$\mathrm{SD}_1 = \sqrt{\frac{(x_1 - \bar{x}_1)^2}{n-1}}$$

$$\mathrm{SD}_1 = \sqrt{\frac{34}{4-1}}$$

$$\mathrm{SD}_1 = \sqrt{\frac{34}{3}}$$

$$\mathrm{SD}_1 = \sqrt{11.33}$$

$$\mathrm{SD}_1 = 3.37$$

Group 2 (SD_2)

$$\mathrm{SD}_2 = \sqrt{\frac{(x_2 - \bar{x}_2)^2}{n-1}}$$

$$\mathrm{SD}_2 = \sqrt{\frac{2}{4-1}}$$

$$\mathrm{SD}_2 = \sqrt{\frac{2}{3}}$$

$$\mathrm{SD}_2 = \sqrt{0.67}$$

$$\mathrm{SD}_2 = 0.82$$

Hypothesis 2

(a) Determining the mean for the two groups

$$\bar{x}_1 = \frac{\sum x_1}{n} = \frac{10}{4} = 2.5$$

$$\bar{x}_2 = \frac{\sum x_2}{n} = \frac{46}{4} = 11.5$$

(b) Determining the standard deviation for the two groups

Group 1 (SD_1)

X_1	$(x_1 - \bar{x}_1)$	$(x_1 - \bar{x}_1)^2$
4	1.5	2.25
3	0.5	0.25
1	-1.50	2.25
2	-0.50	0.25
$\sum x_1 = 10$		$\sum (x_1 - \bar{x}_1)^2 = 5$

Group 2 (SD_2)

X_1	$(x_1 - \bar{x}_1)$	$(x_1 - \bar{x}_1)^2$
14	2.5	6.25
13	1.5	2.25
11	-0.5	0.25
8	-3.5	12.25
$\sum x_2 = 4$		$\sum (x_2 - \bar{x}_2)^2 = 21$

Group 1 (SD_1)

$$\mathrm{SD}_1 = \sqrt{\frac{(x_1 - \bar{x}_1)^2}{n-1}}$$

$$\mathrm{SD}_1 = \sqrt{\frac{5}{4-1}}$$

$$\mathrm{SD}_1 = \sqrt{\frac{5}{3}}$$

$$\mathrm{SD}_1 = \sqrt{1.67}$$

$$\mathrm{SD}_1 = 1.29$$

Group 2 (SD_2)

$$\mathrm{SD}_2 = \sqrt{\frac{(x_2 - \bar{x}_2)^2}{n-1}}$$

$$\mathrm{SD}_2 = \sqrt{\frac{21}{4-1}}$$

$$\mathrm{SD}_2 = \sqrt{\frac{21}{3}}$$

$$\mathrm{SD}_2 = \sqrt{7}$$

$$\mathrm{SD}_2 = 2.65$$

Appendix B

Part1

Dear respondent,

I'm a student at Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur, where I'm pursuing an MBA in Accounting and Information Systems. I'd like to extend an invitation to you to take part in a research project that seeks to gather information about the importance of external auditors in the examination of financial statements. You must answer all of the questions on this form truthfully. Please be aware that I use a five-point measure.

Range: 1 = Strongly Agree, 2 = Strongly Disagree, 4 = Agree, and 5 = Undecided

Please tick (√) in the appropriate response column in this part.

1. Sex
   a. Male [ ] b. Female [ ]
2. Age

a. 20-30 years [] b. 31-40 years [ ] c. 41-50 d. 51- above [ ]

3. Describe your scholastic background.

A BBA [] b [] MBA A B.Sc., an M.Sc., or a B.S.S.

4. Years of practice with wording

a. Ages five and under [] b. Ages 21 to 30 [] 6-years []

31–40 years of age []

5. Name the agency.

Accounting and accounting; marketing; Budgeting, security, and budgeting

6. State your position

a. The management team [] Senior employees [] Junior employees [] d. Disrupt employees []

Part2

Response: SD= Strongly Disagree, D=Disagree, SA=Strongly Agreed, A=Agreed and UD= Undecided

S/N	Question	SD	D	SA	A	UD
	ı institution's financial records are checked, monitored, and controlled with the assistance of external auditors.					
	ı organization needs auditors.					
	e correct investigation of the bank's financial statements is hindered by issues like the delay in providing information or documents to the external auditor, the time factor, financial issues, and others.					
	e auditor's report offers a genuine and impartial assessment of the institution's performance.					
	e bank's financial statements and the audit investigation are connected.					
	ernal control systems and proper financial records help identify and get rid of bank fraud, errors, and misappropriation of customer payments.					
	your institution, auditors do have an audit program					
	e external auditor would assign assignments to his helpful employees.					
	stitution's shareholders' dividend payments are delayed.					

Thank you for your cooperation.

Signature of the respondent…………………………………………………………......

Mobile no………………………………………………………………………………

E-mail (if any)………………………………………