



# ABID M. GROUP ENTERPRISES

## Audit Report Of Profit & Loss Account

Human Development  
Organization  
Muzaffarabad AJK  
Year 2017-18



Office No.6,  
Block No.5-A,  
Sector F-10 Markaz,  
Islamabad

Call # +92 346 657 3423



# ABID M. GROUP ENTERPRISES

	Rupees
Income	Nil
Total Annual Income	
Less: Expenses	
<b>Direct Cost</b>	8,000/-
• Office chair set	6,000/-
• Computer accessory	
Total	14,000/-
<b>Indirect cost</b>	15,000/-
• Monthly Office Rent	200/-
• Monthly Office Electricity Bill	3,000/-
• Monthly Salary Office Boy	3,500/-
• Signe Board 3 Peaces	
Total	8,200/-
<b>Annual Expenditure</b>	
Total	59,900/-
	Nil
<b>Gross Profit</b>	

Date: 25-06-2018



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## CONCLUSION

The main purpose of this audit was to ensure that profit & loss account is being managed fairly, efficiently and effectively. In particular, it verified the control framework for the management of accounts receivable and the degree to which the Department is in compliance with applicable accounting regulations, policies and standards.

Audit criteria and techniques were developed in order to gather sufficient information on these subjects. The methodology used consisted primarily of interviews, data analysis, and a review of the relevant documentation.

The main observations show that, in general, the Department's accounts receivable are managed in accordance with the principal policies, regulations and standards that govern them. However, the management framework for accounts receivable has certain gaps, and steps should be taken by management in order to improve its efficiency. Departmental Accounting should play a more active role in this regard.

The following measures could be put in place to improve the effectiveness and efficiency of management of accounts receivable:

- Develop and distribute guidelines on the processes that are currently in place, such as the collection and writing off of receivables and invoicing of administrative charges and interest;
- Review key controls, such as the segregation of duties, access to the accounts receivable module, the section on the writing off of interest in the departmental delegation instrument, and monitoring and reconciliations; and
- Take the necessary steps to recover sums that are more than 365 days past due or write them off, as appropriate.

Signature \_\_\_\_\_



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