

A STUDY ON THE AUDIT OF A COMMERCIAL BANK

P.T.A.R

**A STUDY ON THE AUDIT OF A COMMERCIAL BANK**

A PAPER SUBMITTED TO THE MARA INSTITUTE OF TECHNOLOGY  
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE  
ADVANCED DIPLOMA IN ACCOUNTANCY

BY

NAME : MOHD HUD BIN HAMIDON  
STUDENT NO :  
ADVISOR : EN. RAZALI OTHMAN  
DATE : MARCH 1991

## TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
CHAPTER	
1 INTRODUCTION	
Introduction	1
Objective of the study	9
Methodology	10
Scope and Limitation	11
2 LITERATURE REVIEW	13
3 DATA COLLECTION	19
4 ANALYSIS OF DATA	21
Data Analysis	21
Risks Factors	22
Audit Procedure	24
Cash Count	25
Savings Accounts	29
Current Accounts	31
Fixed Deposits	33
Loans and Advances Review	34
Inspection of Loan Documents	36
Inspection of Colleteral	37

## ACKNOWLEDGEMENTS

To declare that this is an original work is not in any way to minimise the degree to which its content has been influenced by pronouncements by the accountancy journals, periodicals, articles, auditing textbooks, bankers handbooks, banking journals, newspaper cuttings, and the current practices of the major auditing firm. This project paper represents the efforts and ideas of many people. The following individuals, presently associated with Coopers & Lybrand, contributed to various portions of this study; En. Mohammed Abdullah, the Managing Partner, Tuan Hj. Abdul Rahim Abdul Hamid, Audit Partner, Cik Adibah Musa, Manager, Puan Zurina Mohd Tarmizi, the Supervisor. Also to the audit staff of Coopers & Lybrand and the officers in Chung Khiaw Bank of the main office. I would like to extend special acknowledgement to my advisor, En. Razali Othman for hisvaluable time, advice and encouragement throughout the preparation of this report. This acknowledgement would not be complete without acknowledging all my colleague for their support.

Mohd Hud Hamidon.

## **ABSTRACT**

This project paper is submitted to the School of Accountancy in partial fulfillment of Advanced Diploma In Accountancy ( ADIA ). The main purpose of the study is to get a general idea on the manner, the auditors with their skills, knowledge and experiences carry out the audit of commercial banks. The importance of audit and commercial bank is without doubt, one of the key elements which ensure the continuity of public confidence towards our banking industry. It is also an attempt to explain the audit procedure adopted by the audit firms in Malaysia.

Any view express here is purely that of the writer. In spite of the help received, deficiencies undoubtedly remain. For these, I take full responsibility and urge readers to call them to my attention and will always welcome and acknowledge further criticisms and suggestion.