

Audit plan report example

Business, Company



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Bombardier Inc.

Material Transactions and Material Cycles involved

Bombardier incorporated engages in a number of transactions in a diversified portfolio of investing activities. However, the plan should concentrate on the following material transactions:

Manufacturing transactions- these is in relation to the commercial airline production and the subsequent deliveries. They account for over fifty percent of the revenues and, therefore, inform a central portion of the overall company operations.

Services - in addition, the company also delivers servicing to airlines in large volumes. The audit ought to cover these services as well.

Joint Venture with BT- it is acknowledged in the report that BT are their major joint ventures partner. In that context, the audit must examine the relationship and overall financial position of BT.

Related Party Transaction - Finally, in a bid to cover all the material transactions, it is essential to examine the related party transactions with particular emphasis on the disclosures and the materiality of the disclosures. This is to say that the audit must cover aspects in relation to related part

transactions and consider the materiality of these transactions. In addition, it has to pay attention to the disclosure requirements as stipulated by general auditing principles.

Transaction Cycles

Bombardier Inc., like other organisations, engages in normal business cycles throughout the financial year. The following are the outstanding transaction cycles that the audit ought to concentrate on:

Revenue cycle - The total revenue at \$ 8. 1 Billion is a collective from all the material and minor transaction including the commercial airline manufacturing and servicing, other services and investment in joint ventures and transactions with related parties. The audit needs to consider the entire revenue process right from delivery, to payments and marketing services. In addition, the audit needs to comprehensively assess the major orders relating to their main consumers such as Metrolinx and San Francisco Bay Area Rapid Transit District. These is premised on the fact that they inform the major consumer base.

Production cycle- In overall, the company majors on manufacturing.

Production, therefore, accounts for the design, development, assemblage, packaging, among others additives. The audit needs to examine issues of compliance, quality, durability, safety, among other factors.

Purchasing- this refers to the aspects of activities that handle all purchasing right from planning, estimation, ordering, reception and storage for use. This long process may needs to be examined for compliance.

Supply and logistics cycle- this involves the entire process that addresses all logistical requirements of the various departments. Since it is largely

interdepartmental, it creates the need for a comprehensive audit.

Payroll cycle- this aspect of the plan considers matters in relation to the salaries, remuneration and reimbursements to staff. Since the company operates a diversified portfolio, it is essential for the audit to cover all the transactions involved.

References

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