

An autonomous body under Ministry of Commerce established under the Bangladesh Chartered Accountants Order, 1973
(President's Order No. 2 of 1973).

Ref: ICAB/FRM&PR(QA)/2020-051

02 June 2021

Mr. Suhrid Kumar Barua FCA

Partner
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Chartered Accountants
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Sub: Report on Quality Assurance Visit to Your Firm

Dear Sir,

At the outset, we would like to thank you, your partners and your colleagues for the kind cooperation and assistance given to us during our recent visit to your firm.

During the recent QAD visit conducted to your firm on 6 September 2020 at your office, we discussed regarding the required documents as notified earlier, requirements of International Standard on Quality Control 1 (ISQC 1), Working papers of latest audited clients and general discussion on other relevant issues relating to quality control and at the end we shared our views on the areas where the firm could improve quality in a better way.

If you could please recall, we agreed on the following issues:

I. Required Document as notified earlier:

Sl. #	Details of documents	Remarks
1.	Copy of Auditors Report	Yes
2.	Memorandum and Articles of Association	Yes
3.	Permanent and Current Working Paper Files with the Audit Programs	Yes
4.	Firm's procedures for Audit Engagements	Yes
5.	List of Students and Staff	Yes
6.	List of IT Equipment's (e.g. Laptop, PC, Printer, Scanner etc.)	Yes
7.	Audit Practice Manual	Yes
8.	List of Clients and related Appointment Letters for 2019 & 2020	Yes
9.	Information relating to requirements of ISQC 1 (i.e. Leadership responsibilities, Ethical requirements, Acceptance and Continuance of client, Human Resources, Engagement performance, Monitoring and Documentation)	Yes

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2. About ISQC I Requirements:

Particulars	Notes from discussion	Suggestions
Leadership	The Firm <ul style="list-style-type: none"> partners have the ultimate responsibility for the firm's quality control is complying with the regulatory and legal requirement and also professional standards as much as practicable does not want to compromise audit quality for commercial consideration partners have strong mindset to issue appropriate report based on circumstances provides sufficient resources for the development, documentation and support of its quality control policies 	The Firm is strongly recommended <ul style="list-style-type: none"> to continue the compliance of legal, regulatory and updated professional standards and to enhance the quality of audit and assurance as an ongoing process in every circumstance to update its quality control system as and when required as an ongoing process based on ISQC I to continue in taking the ultimate responsibility by its partners for the firm's system of quality control in performing engagements
Ethical Requirements	<ul style="list-style-type: none"> communicates the independence requirements to students and staff developed and implemented the annual confirmation of independence policy practice the rotation of engagement partner for audit clients as applicable 	<ul style="list-style-type: none"> to continue the communication and training on ethical requirements including independence to its personnel and monitoring the compliance of such requirement
Acceptance and continuance	<ul style="list-style-type: none"> does follows its own audit guideline and procedures based on APM of ICAB for acceptance and continuance of clients as applicable collects professional clearance from previous auditor issues engagement letter 	<ul style="list-style-type: none"> to continue the collection of professional clearance from previous auditor to continue issue audit engagement letter to continue the proper application of its clients' acceptance and continuance policy
Human resources	<ul style="list-style-type: none"> has a written human resource policy and the firm is working to improve the policy has a practice of training for the staff and students of the firm complying with ICAB's minimum requirement re payment of student allowance 	<ul style="list-style-type: none"> to continue its training requirement for students and staff to update its own human resource policy specially specifying the recruitment, training, compensation, skill, competence and appraisal policies

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Particulars	Notes from discussion	Suggestions
Engagement performance	<ul style="list-style-type: none"> is maintaining the audit procedures as guided by the APM of ICAB maintains the documentation of working papers as required by ISQC I/ISAs 	<ul style="list-style-type: none"> to continue the application of appropriate audit procedures ensuring the quality control of its audit and other professional assignments
Monitoring	<ul style="list-style-type: none"> has not yet developed a written policy on monitoring the audit work has not yet implemented whole firm and cold file review practice the hot file review, which is also required to be updated significantly 	<ul style="list-style-type: none"> to develop and implement a written monitoring policy of audit work of the firm to consider the application of appropriate audit procedures while reviewing the engagement file to take necessary actions subsequently from the review findings

3. Documents in Audit Working Files (we reviewed one of your listed client Re Audit Procedures):

Contents	Available (Yes / No)	Suggestions
<ul style="list-style-type: none"> Risk Assessment and Response to Assessed Risk 	Yes	to introduce risk assessment procedure and response to assessed risk based on International Standards on Auditing (ISA) 315 and 330/ ICAB's APM
<ul style="list-style-type: none"> Audit Planning Memorandum 	No	to introduce procedure for audit planning based on International Standards on Auditing (ISA) 300 / ICAB's APM
<ul style="list-style-type: none"> Workings of Audit Completion and Forming Audit Opinion 	No	It is required to ensure that there is adequate evidence that the suitability of the audit report has been considered. Forms should be used to schedule any problems encountered during the audit, which could have an impact on the audit report, we did not find any such form to support the audit opinion of your client. Please introduce audit

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Contents	Available (Yes / No)	Suggestions
		completion procedures such as partner completion procedures, critical review of accounts, justification of audit report, summary of unadjusted errors, final analytical review of audit report etc. based on ICAB's APM
▪ Related Party Transaction Disclosures and its Audit Procedures	Yes	to introduce procedure re understanding the nature of the related parties and their actual or possible effects on the financial statements based on International Standard on Auditing (ISA) 550 / ICAB's APM
▪ Tailored Audit Programme	Yes	The firm shall continue its best effort to maintain, organize and document all necessary workings, schedules, relevant papers in accordance with appropriate audit procedures and in compliance with the applicable standards
▪ Reference Financial Statements	Yes	
▪ Checklist for Internal Control	Yes	
▪ Management Representation Letter	Yes	
▪ Final Trial Balance	Yes	
▪ Accounts Disclosure Checklist	Yes	
▪ Determining Audit Materiality	Yes	
▪ Standards Compliance Statements	Yes	
▪ Summary of Audit Findings	Yes	
▪ Balance Confirmations	Yes	
▪ Completion Memorandum / Exit Meeting Documentation	Yes	
▪ Assets & Properties Schedules & Relevant Papers	Yes, but not in details	
▪ Capital & Liabilities Schedules & Relevant Papers	Yes, but not in details	
▪ Income Statement Schedules & Relevant Papers	Yes, but not in details	
▪ Cash Flow Statement with Necessary Calculation Sheet	Yes, but not in details	

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Based on the review results mentioned above, the Institute sincerely expects that you will continue your positive efforts to maintain your current quality control procedures for audit and assurance engagements in order to assert your ongoing compliance with applicable international quality control standards.

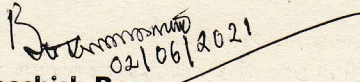
During our recent visit to your firm, we noticed that there are few improvements made by the firm based on our recommendations in the earlier visit report. However, the firm still requires to upgrade its quality in many cases to be complied with ICAB quality assurance requirement.

A follow up visit will be commissioned, at a later date to be notified by the Institute, to review the progress on the suggestions made by us above. Please feel free to contact the Institute in case you need our assistance to achieve your objective of implementing robust quality control standards in your firm.

Please send us your written response within 30 days from the date of receiving this report mentioning the action plan you are taking on the matters highlighted by us as part of our quality assurance monitoring procedures in accordance with ISQC-1.

We thank you and your partners once again and look forward to working with you again.

Yours sincerely,



Shubhashish Bose

Chief Executive Officer (CEO) - ICAB

CC to

- President-ICAB
- Chairman, Quality Assurance Board-ICAB
- Chief Operating Officer-ICAB
- Senior Deputy Director, T&RA-ICAB
- Senior Deputy Director FRM&PR (QA)-ICAB