

President's Communication – March 2009



Nasir U Ahmed, FCA
President, ICAB

My dear fellow members,

Bismillahir Rahmanir Rahim.

Please accept my heartfelt greetings once again. I am really overwhelmed and encouraged by your response to my two earlier Communications which has inspired me to add on more items of potential interest to you all and I seek your indulgence if this Communications letter seems longer than the earlier ones.

March is a very important month for any Bangladeshi as we declared our independence in this month in 1971 and fought against Pakistani force for nine months and ultimately achieved our long awaited victory on the 16th December in the same year. But we had to incur a huge cost to earn this freedom. More than three million people sacrificed their lives for the sake of their motherland, Bangladesh. Along with our members, I express my highest respects for the martyrs of Liberation war and pray to the Almighty for peace and salvation of the departed souls of all 'Shaheeds' of 1971.

ICAB joined with the whole nation to pay homage to 1971 martyrs. An ICAB team led by its Vice President, Mr. Md. Shahdat Hossain, FCA, visited "*Jatyo Smriti Showdha*" at Savar and placed flower bouquet there as a mark of our tribute to the 1971 martyrs. Mr. Md. Joynal Abedin, FCA, Secretary, DRC and representatives from BCACP also joined the ICAB team and visited "*Jatyo Smriti Showdha*" at Savar.

I would now like to touch on some of the major activities carried out during the month of March 2009 and also provide a brief snapshot of future activities planned for the month of April.

I look forward to continue to communicate with you through these pages to keep you abreast with the developments that are taking place in our Institute and our profession. With every communication, I see time ticking by and feel that there are so many things to do in the limited time at my disposal. However, I am sure that with your active support and our sincere efforts, I will be able to carry out the task effectively this year. I would rely on your encouragement and support, which would be my source of inspiration and strength in days to come.

CPD Seminars:

There was one CPD seminar in March 2009. Despite our intention to hold two CPD seminars in March, we could not do so due to unrest situation following unfortunate series of incidences at Pilkhana. I can assure you that the Council is very much conscious about the members' requirements to attend mandatory CPD Programmes

and sharing in the post qualification education process besides earning credit hours. Hence, we will continue our efforts to hold adequate number of CPD Seminars in coming months. We had meetings with ICAEW representative to hold few CPDs with their active support. Following seminar was held in March in which a large number of members attended.

3rd CPD Seminar was held on the 11th March, where Mr. Vernon Soare, ACA, Executive Director, Professional Standards of ICAEW presented his paper on **Professional Discipline – Principles and Practice**. As the subject was exclusively relating to one of the IFAC Standard Membership Obligations (SMOs), we did not invite any outside dignitaries as the Chief Guest. The session was chaired by Mr. Sheikh A Hafiz, FCA, Council member & Past President, ICAB and President, SAFA. The topic focused on the SMO 6 of IFAC with specific example of practices being followed in ICAEW.

Evening Coaching Classes:

Pre-exam Coaching classes for all groups e.g. PEI, PEII & PE III are continuing in full swing. ICAB Council is fully focused on students' educational facilities including library facilities to increase pass rate in all professional examinations. Council is also taking keen interest in activities relating to examinations and revision syllabus under Twining Project.

Disciplinary action against member

On the basis of the recommendation made by the Investigation & Disciplinary Committee of ICAB, the Council after observing all formalities as per Bye Laws, ordered for one year suspension of membership of Mr. A T M A Bari, FCA (Enrolment # 423), Partner, ACNABIN, Chartered Accountants on charges of professional misconduct. Later Mr. ATMA Bari filed a writ petition to the Honorable High Court. High Court issued 3 months stay order on the suspension of membership of Mr. ATMA Bari, FCA. The Honorable High Court also issued a Rule Nisi upon ICAB calling for explanation as to why the suspension order should not be declared to have been issued without lawful authority and is of no legal effect. ICAB is taking appropriate legal measures in this regard.

Pre Budget meeting with Chairman, National Board of Revenue (NBR)

ICAB team led by Mr. M. J. Abedin, FCA Council Member & Past President and Chairman of Taxation & Company Laws Committee met Mr. Abdul Mazid, Chairman, National Board of Revenue (NBR) in a pre-budget discussion on 18th March 2009. The team included Mr. Md. Syful Islam, FCA, Mr. Md. Shahdat Hossain, FCA, Vice Presidents, Mr. Sohel Kasem, FCA, Council Member & Past President, Mr. Md. Mustafizur Rahman, FCA Council Member & past Vice President and Mr. N. I. Chowdhury, FCA, Secretary. On the other side, NBR included top officials of the Board led by the Chairman.

ICAB put forward as many as 38 proposals covering various areas to consider in the coming budget. ICAB team and NBR had a very fruitful interactive meeting. ICAB hopes that NBR would take into consideration all these important proposals whilst preparing budget for 2009-2010.

Meeting with World Bank Team on U P Audit

ICAB held a meeting with a World Bank Team at C A Bhaban on the 29th March 2009, to discuss various issues relating to UP Audit. The World Bank team was led by Mr. Balakrishna Menon, Senior Urban Specialist, Urban Development – South Asia, The World Bank, Washington DC, USA. Other team members included Mr. Burhanuddin Ahmed, FCA Senior Financial Management Specialist and Mr. Shubhankar Shil, ACA Research Analyst. ICAB team was led by the President and members included Mr. C R Mazumder, FCA member of Sub-Committee on UP Audit and Mr. N. I. Chowdhury, FCA Secretary.

We discussed many issues at a great length and also requested World Bank to look into the issue of enhancement of fees in the near future, if not possible for this present audit. The World Bank team leader informed the President that this time a total number of 3370 U P units are coming under this audit through 22 packages. Whilst requesting them to increase coverage of local government audit to upper tiers as well like Pouroshavas and City Corporations, Mr. Menon, the team leader assured the ICAB President that in the near future these local government entities would also come under audit purview, which would create more opportunities for ICAB members in profession. However, he requested President and the Council to ensure quality of works for this audit of 3370 UP offices, otherwise it will have negative impact on future opportunities of professional works.

We also raised the issue of pending payments of professional fees for last year's UP audit. Mr. Menon expressed his surprise and suggested ICAB to write to the Ministry of LGRD with a copy to him. He promised to look into this issue and resolve at his earliest.

ICAB President thanked the World Bank team particularly Mr. Menon for their assurance of creating more opportunities for our members in the Profession through World Bank's initiatives and for assurance of looking into problems relating to UP Audit.

Visit by former SAFA President

Former President of SAFA, Professor Dr. Khawaja Amjad Saeed, FCA,FCMA called on the President, ICAB on the 16th March at President's Office at C A Bhaban. Mr. Anwaruddin Chowdhury, Past President & Council Member and Mr. N I Chowdhury, Secretary, ICAB were present at this meeting. Dr. Khawaza Amjad Sayeed handed

over few books authored by him as complimentary copies for ICAB library. President thanked him for his gesture and feelings for ICAB and its members and students.

ICAB & ICAEW Twinning Project

President held a meeting with Ms. Suraiya Zannath Khan, FCA Senior Financial Management Specialists of World Bank at C A Bhaban on the 04th March 2009, to discuss progress of the project and related issues. This meeting was held with a view to build a ground for detailed discussion with ICAEW representatives prior to their visit. We discussed many issues relating to the project and impediments to the fast progress of the project. Mr. N I Chowdhury Secretary, ICAB was present at the meeting.

The Council had three meetings during this month on various issues relating to this project and to review the progress of ICAB & ICAEW Twining Project, as the Council is focusing on successful implementation of this project. This is one of the key tasks that is getting much importance from the highest body of the ICAB. The progress of the project is being monitored regularly primarily by Project Development and Implementation Committee and of course by the Council.

The Council Meeting on the 05th March, reviewed the progress of the project prior to the visit of ICAEW officials where Mr. Juris Reinhardt was invited to attend and brief the Council about the progress. We, councilors reviewed the project status in details and prepared ground for discussion with ICAEW representative during his visit.

On the 07th March, a core team of ICAB comprising Mr. Nasir Uddin Ahmed, President, Mr. Md. Humayun Kabir, FCA, Immediate Past President, Mr. Sohel Kasem, FCA, Past President and Dr Jamaluddin Ahmed, FCA discussed key issues relating to this project with ICAEW representative, Mr. Vernon Soare. Major issues were identified and discussed prior to Council Meeting on the 09th March to facilitate easy decisions at Council level.

There was a Council meeting on the 09th March where other two parties of the project, World Bank and ICAEW representatives attended. Mr. Vernon Soare, ACA, Executive Director of ICAEW, UK, Mr. Heward Simpson, FCA Innovation & Technical Development Manager of ICAEW and Mr. Juris Reinhardt, Project Manager, Bangladesh attended from ICAEW. Dr Zubaidur Rahman & Ms Suraiya Zannath Khan represented World Bank at the meeting. Although we invited Mr. Showkat Ali Waresi, Project Coordinator from the Ministry of Commerce, but he could not attend the meeting. Mr. Vernon Soare made a presentation on the progress of the project and related issues. There was active participation from all parties and the meeting concluded with some important decisions to bring pace to the project implementation process. We discussed various key actions needed to bring vibration to the project and agreed on some actions by various parties involved.

A follow up meeting after Council meeting on the 09th March was held at World Bank's Dhaka office between World Bank representatives, Dr. Zubaidur Rahman & Ms. Suraiya Zannath with ICAB Team. ICAB team included President, Vice President (Education & Training), Mr. Md. Humayun Kabir, FCA, Immediate Past President & Council Member, Mr. Masih Malik Chowdhury, FCA, Council Member & past Vice President, Dr. Jamaluddin Ahmed, FCA, Council Member & past Vice President on the 10th March at World Bank's Dhaka Office. At this meeting various key decisions were agreed upon, on which future progress of the project would depend. Henceforth there will be regular meetings between ICAB, WB and ICAEW. Ministry of Commerce official will also be invited at such meeting, as and when required basis.

ICAB in its Council meeting held on the 28th March approved various issues relating to new syllabus and curriculum under Twining project. Many important issues regarding examination process and evaluation process were discussed and decisions taken. These are now being collated and will be published very shortly.

Approval of final version of ICAB's Actions Plan for IFAC SMOs

The Council of ICAB in its meeting held on 28 March 2009 finally approved the ICAB's Action Plan to comply with the requirements of IFAC SMO. This will now be officially placed on the IFAC Website. We have already communicated ICAB Council's decision to Mr. Szymon Radziszewicz, Technical Manager, Member Body Development, International Federation of Accountants (IFAC), for necessary action. This was a long awaited decision that IFAC was asking for.

IFAC publishes Quality Control implementation guide for SMPs

IFAC regularly issues/ publishes various new professional guidelines/ alerts/ pronouncements etc for the benefit and qualitative improvements of the Accountancy Profession around the world. Recently (On the 09th March 2009) they have published Quality Control implementation guide for Small and Medium-sized Practices (SMPs) around the world. I had downloaded the same and forwarded to all members as PDF attachment for their use & benefit.

(New York/March 9, 2009) – To further help small and medium practices (SMPs) in the implementation of international standards, IFAC has published a *Guide to Quality Control for Use by Small- and Medium-sized Practices*. This non-authoritative implementation guide is intended to help SMPs understand and efficiently apply International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services*, as redrafted under the IAASB's Clarity Project* (<http://web.ifac.org/clarity-center/index>).

Developed by CGA-Canada for IFAC's Small and Medium Practices (SMP) Committee, the guide uses an integrated case study to illustrate how to implement the requirements of ISQC 1, and includes two sample firm policy manuals and key checklists and forms. It can be downloaded free-of-charge from IFAC's on-line bookstore at www.ifac.org/Store/. An MSWord version is available on the IFAC website to allow for translation and adaptation by institutes and small firms.

In December 2007, the committee published IFAC's first implementation guide, the *Guide to International Standards on Auditing for Use in the Audits of Small- and Medium-sized Entities* (ISA Guide). Last year, this was IFAC's second most popular publication and has been translated into over 10 languages. An updated version, to support the redrafted ISAs and accommodate feedback from users of the current edition, is scheduled for release in December 2009.

These guides form part of the SMP Committee's strategy to provide comprehensive practical support for SMPs, in the form of implementation materials and web-based resources. For more information, visit the International Center for SMPs at www.ifac.org/SMP/, read the committee's strategy, and keep updated by signing up for the free quarterly SMP eNews.

ICAB Members may please visit IFAC website for further information on this subject.

ICAB – CRC Picnic 2009

Like every year, Annual Picnic 2009 of the ICAB Chittagong Region was held on Friday the 13th March 2009 at a seaside place in Korean EPZ. A good number of ICAB members of Chittagong Region and their families including ICAB Officers, Staff working in Chittagong and their families were participated and enjoyed the Picnic. Mr. Showkat Hossain, FCA, Vice President and Mr. Nasim Anwar, FCA, past Vice President & Council member attended the picnic on behalf of the ICAB Office bearer. Later Mr Showkat Hossain, FCA Vice President gave away prizes.

There were many events in the Picnic to keep all the participants busy and enjoy for full day. CRC deserves great appreciation for their untiring efforts to make this picnic a truly enjoyable event.

Annual General Meeting of DRC

The 29th Annual General Meeting of the Dhaka Regional Committee (DRC) of ICAB was held on Tuesday, the 31st March 2009 at 4:30 pm at ICAB Auditorium. The meeting was chaired by Mr. Zabed Ali Mridha, FCA Chairman of DRC. The main activities of the meeting were to consider the Report of Dhaka Regional Committee and its Financial Statements along with the Auditor's Report thereon for the year ended on the 30th June 2008 and adoption. Meeting also reappointed Mr. Ekramul Haque, FCA as the Auditor for the year 2008-2009 and fixed the remuneration.

A good number of members including President, Vice President (F&A), Council Members and past Presidents attended the AGM. A new Chairman and Secretary have been elected for 2009. Mr. Harun-or-Rashid, FCA and Mr. Netai Chand Talukder, FCA have been named as the Chairman and Secretary respectively.

Observance of Independence Day

ICAB & Bangladesh Chartered Accountancy Chhatra Parishad (BCACP) jointly observed the Independence Day on the 26th March, as a mark of respect to the martyrs of the Liberation war, who sacrificed their lives for this beloved motherland, Bangladesh.

Mr. Md. Shahdat Hossain, FCA, Vice President led the team where Mr. Md. Joynal Abedin, FCA Secretary, DRC and representatives from BCACP joined him to “*Jatyo Smriti Showdha*” at Savar and placed flower bouquet there.

Rent out T K Bhaban property of ICAB

It was a great news for us to sign the tenancy agreement with BRAC University to rent out ICAB owned property at 12th floor of T K Bhaban. This property was vacant for more than last three years and ICAB incurred substantial loss of rental income over this period. Many attempts to rent out this property were taken by office bearers of last few years but could not manage a suitable tenant for renting out this property.

We must mention that the Secretary and his team played a very active role in renting out the property. Many of our past presidents, members and the Real Estate Committee helped us in searching for a good tenant. We are thankful to all those who extended their cooperation in the process of renting out this property..

Participation in Television Programme

Mr. Md. Syful Islam, FCA, Vice President (Education & Training) and Mr. N I Chowdhury, FCA Secretary, participated at a talk show on “*Bangla Vision*”, a private TV channel on the 3rd March 2009. They talked on various aspects of studying Chartered Accountancy in Bangladesh. ICAB is participating such programmes on TV, news media and other forums to attract brilliant students in studying Chartered Accountancy course.

Publication of Updated Version of Bangladesh Financial Reporting Standards (BFRSs) and Handbook of BSA, Assurance, and Ethics Pronouncements

ICAB has published the updated version of BFRS-Volume1, 2 & 3 and Handbook of BSA, Assurance, and Ethics pronouncements recently and are now available for sale.

Members those who are willing to buy these publications, may please contact ICAB Counseling Centre at CA Bhaban (Ground Floor)

Other key activities of the month

- Three Council meetings were held in March. These meetings mostly dealt with Twining project and other related matters. There was one Council meeting dedicated with single agenda to review the twining project progress.
- One Executive Committee meeting was held in March 2009, to take decision on various administrative and professional matters including recruitments in vacant positions.
- Information Communication Technology (ICT) sub committee held their meeting in this month and made considerable progress in the process for automation of examination system & other areas of the operation of ICAB.
- One Board of Studies meeting was held in this month to deal with various issues relating to new syllabus and curriculum. A nine-member sub committee also formed to review the proposed syllabus and confirm this new syllabus to the Twining project. They held several meetings in this month.
- Member Services & Welfare Committee held its first meeting of the year on the 12th March, to chalk out its activities through out the year.
- Quality Assurance Board (QAB) held a meeting of the full Board on the 25th March and several meetings of its sub committee to finalize publication of Audit Practice Manual and Guidance for Members in Practice - Part III. We are particularly grateful to the members of the Sub Committee headed by Mr. Kamrul Abedin, FCA and comprising Mr. Al Maruf Khan FCA and Mr. Neaz Mohammed FCA for their painstaking efforts in preparing these manuals for early publication for the benefit of practicing members of the institute.
- CPD Committee also held its 3rd meeting of the year to decide various actions to ensure regular CPD programmes for our members.
- PDIC held its meeting to review the progress of the Twining project before the visit of the World Bank and ICAEW Teams.
- Editorial Board held its first meeting of the year to deal with issues relating to Quarterly Journal and monthly News Bulletin.
- Articled Students Committee held its first meeting of the year on the 19th March to discuss various issues relating to articled students.
- Technical & Research Committee held a meeting on the 22nd March to discuss matters relating to various technical issues relating to accounting profession.

- A meeting with IFRS trainees was held at ICAB on the 31st March to chalk out programmes to disseminate their knowledge acquired through attending course on IFRS. There was a precondition to their selection for this UK training to train rest of the members of ICAB. We have submitted a training proposal to the Ministry of Commerce costing around Taka 40 lacs under the Twinning Project. We are hopeful to start conducting this training from April/May 2009.

Activities Planned for April 2009

We have already planned the following activities for the month of April:

- Making courtesy calls on the Honourable Minister of Finance and Minister for Education to project the Institute's activities and have their support & assistance whenever needed.
- Holding at least two Council meetings.
- Holding meetings of Conference Committee
- Holding meetings of the following Standing and Other Committees –
 - Executive Committee
 - Quality Assurance Board
 - Professional Development Committee
 - Project Development & Implementation Committee
 - Continuous Professional Development Committee
 - Review Committee for Published Accounts & Report
 - Board of Studies
- Meetings of various Sub Committees have also been planned in this month.
- Holding a CPD Seminar on Quality Control with paper to be presented by a visiting ICAEW representative and possibly another seminar on a topical issue
- Holding 5 workshops (4 in Dhaka and 1 in Chittagong) on use of Audit Practice Manual (APM) for use by practicing members, under the aegis of the Quality Control Board

Conclusion

Dear members, my approach has all along been to achieve overall growth in professional avenues coupled with image building and enrichment of this profession, which ultimately will take the profession to new heights. Progress is impossible without

The Institute of
Chartered Accountants
of Bangladesh



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change. So let us change our outlook where changes are required, set our vision high and start thinking ahead of our times for a brighter future. We see opportunities ahead though there will be some impacts of recessions. We, in the Institute, are committed to produce excellent multi-dimensional professionals fully equipped to meet new challenges. Let Almighty help us in overcoming these challenges and being successful in our efforts.

Sincerely Yours,

Nasir U Ahmed, FCA

Dated: 09 April, 2009