

GUIDANCE FOR MEMBERS IN PRACTICE



Letter of Appointment
Professional Clearance
Letter of Engagement
Formulate Audit Plan
Assessment of Control Mechanisms
Draw up Audit Programme
Assessment of Risk
Substantive Tests
Check Regulatory Compliance
Compliance of Policies
Review of Report and Documentation
Letter of representation
Draft Financial Statements & ML
Exit Meeting with Management
Final Report & Management Letter

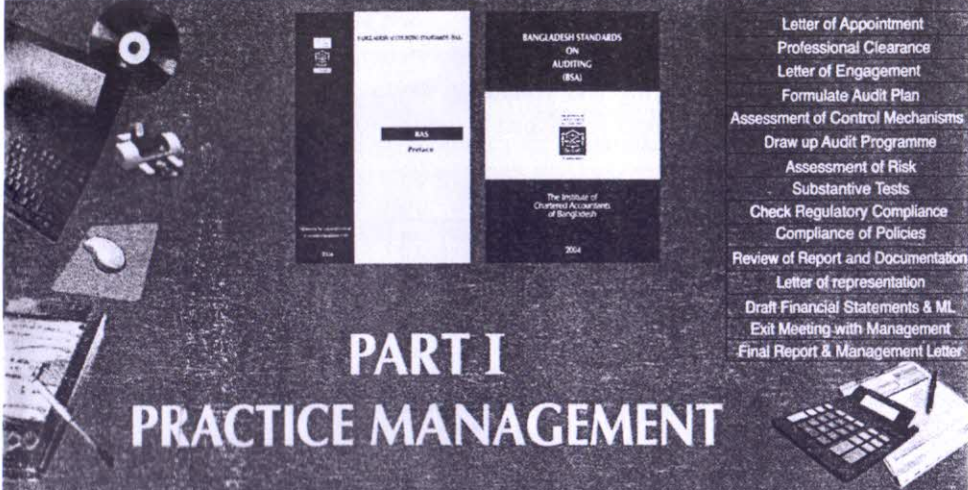
PART I PRACTICE MANAGEMENT



THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF BANGLADESH

2004

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The Institute of Chartered Accountants of Bangladesh

Chartered Accountant Bhaban
100 Kazi Nazrul Islam Avenue
Kawran Bazar, Dhaka-1215
Bangladesh

Tel : 9117521, 9112672, Fax : 880-2-8119399
E-mail : secretary@icab-bd.org, dos@icab-bd.org
Web : www.icab-bd.org

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The Institute of Chartered
Accountants of Bangladesh



FOREWORD

With increasing attention being focussed on adoption and enforcement of auditing standards, the role of ICAB as a regulatory body has increased manifold. So too the responsibilities of our practicing members. As you are aware, ICAB has recently launched the latest Edition of Bangladesh Standards on Auditing (BSA) which have been made mandatory for all our practicing members. While promulgating these standards, the Institute also acknowledges that the practicing members need assistance and guidance in proper implementation of these standards and intends to provide this technical assistance through a series of technical guides, seminars and workshops.

Practice Management, the first publication of the **Guidance for Members in Practice** series, provides a detailed and suggested sequence of steps from starting an audit to signing an opinion. It also contains useful tips on running a practice which will be useful to our members. It supports critical thinking and methods so that professionals can apply, adopt and develop their operational skills in running their practice so as to achieve a healthy bottom line, efficiency, control over time management and excellent relationship with clients.

Practicing chartered accountants provide a vital role in our society in providing assurance to stakeholders, investors, regulatory agencies and third parties. In the context of our legal and social obligations, it is essential that our professional standards are raised to the level expected of us. I thank the Committee members for the efforts put in by them for issuing this publication and look forward to more publications of this series.

Akhtar Sohail Kasem FCA
President, ICAB

Dated: 20 November, 2004



The Institute of Chartered Accountants of Bangladesh



PREFACE

At the outset, I would like to thank the members of the Technical and Research Committee for the laudable efforts made by them this year in publication of the Bangladesh Accounting Standards (BAS) and the Bangladesh Standards on Auditing (BSA). We live in an age of globalization and the need for uniform accounting and auditing standards is of paramount importance. The standards adopted by us are based on pronouncements of the international standard setting bodies like IASC and IFAC.

However, it is not enough to merely set standards. Our goal should be to ensure proper application of these standards. **Practice Management** attempts to assist practicing members in proper performance of an audit. Step by step, it leads the members from the start of an audit to its final completion. It also provides useful tips on managing the practice. These are suggested steps and firms can have their own procedures also.

I thank the Council of ICAB for the support and guidance provided to the Committee and look forward to similar cooperation in the future.

Showkat Hossain FCA
Vice President, ICAB
&
Chairman
Technical & Research Committee

Dated: 20 November, 2004



The Institute of Chartered Accountants of Bangladesh



MESSAGE

I am pleased to know that the Technical and Research Committee (TRC) of ICAB is publishing the first book "Practice Management" as a part of the series "Guidance for Members in Practice". As a signatory to the WTO Document, Bangladesh is bound to oblige relevant WTO regulations in business- trade, financial and professional services. The emerging world trade scenario poses challenges and offers opportunities. Strengthening the Chartered Accountancy profession has therefore become a sine-quo-non for Bangladesh's effective participation in the economic globalization. Practice Management, draws together information and knowledge to help the members in practice to make them aware of the global best practices.

I hope this publication will help the members to optimize their efforts to ensure qualitative audit. I am confident that members will find this publication of immense use and help in serving the society in an effective manner.

I once again thank the TRC for their efforts and activities in strengthening the profession.

Nasir Uddin Ahmed FCA
Vice President, ICAB

Dated: 20 November, 2004



The Institute of Chartered
Accountants of Bangladesh



MESSAGE

It is indeed a great pleasure that the Technical and Research Committee (TRC) of ICAB is publishing a series of "Guidance for Members in Practice". This first publication in the series "Practice Management" attempts to elucidate on the sequence and steps from starting an audit to signing of the audit report.

The impact of globalization has imposed subtle governmental, social and ethical pressures to increase accountability and transparency in the accounting profession. There is a clear and growing demand around the world for high quality audit. It is a great achievement that this year ICAB has been able to release Compendiums of Bangladesh Accounting Standards (BAS) and Bangladesh Standard on Auditing (BSA). Together with these two publications I hope the series of "Guidance for Members in Practice" will provide the practicing Chartered Accountants useful tips on running a practice and providing good quality audit.

I once again thank the TRC for their brilliant achievements of this year.

C R Mazumder FCA
Vice President, ICAB

Dated: 20 November, 2004

GUIDANCE FOR MEMBERS IN PRACTICE PART I PRACTICE MANAGEMENT

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