

**COST AUDIT AND
ASSURANCE
STANDARDS BOARD**



ICMAB
THE INSTITUTE OF COST AND MANAGEMENT
ACCOUNTANTS OF BANGLADESH



1. Cost Audit and Assurance Standards Board

The Council of the Institute of Cost and Management Accountants of Bangladesh has constituted the Cost Auditing and Assurance Standards Board (CAASB) entrusting the responsibility to formulate standards and develop guidance notes in the areas of auditing, assurance, related services and quality control.

2. Objectives and Functions

The followings are the objectives and functions of the Cost Auditing and Assurance Standards Board:

- To identify areas in which Standards on Quality Control, Standards on Review and Assurance Assignments, Standards on Cost Auditing and Standards on Related Services need to be developed.
- To develop Standards on Quality Control, Standards on Review and Assurance Assignments, Standards on Cost Auditing and Standards on Related Services so that they may be issued under the authority of the Council of the Institute.
- To develop Guidance Notes on issues arising out of any Standard or on auditing issues pertaining to any specific industry or on generic issues so that they may be issued under the authority of the Council of the Institute.
- To formulate and issue Technical Guides, Practice Manuals and other Papers under its own authority for guidance of Cost Accountants in the cases felt appropriate by the Board.
- To review the existing Standards, Guidance Notes, Technical Guides, Practice Manuals and other Papers to assess their relevance in the changed conditions and to undertake their revision, if necessary.
- To provide Interpretations or formulate General Clarifications, where necessary, on issues arising from the Standards.

3. Constitution of the Cost Auditing & Assurance Standards Board

The Council of the Institute of Cost and Management Accountants of Bangladesh has constituted the Cost Auditing and Assurance Standards Board (CAASB) entrusting the responsibility to formulate Standards and develop Guidance Notes in the areas of quality control, cost auditing, review, assurance and related services.

4. Composition of the CAASB

The composition of the CAASB is broad based to ensure participation of all interest groups in the cost auditing process. The CAASB would be constituted by the following 5 (five) members:

- a. Two member's to be nominated by the National Council of the Institute of which one member shall be in public practice;
- b. One member to be nominated by the Comptroller and Auditor General of Bangladesh (not below the rank of Deputy Auditor General);
- c. Chairman of the Cost Accounting Standard Committee;

- d. One Faculty Member from Department of Accounting & Information Systems, University of Dhaka (not below the rank of Associate Professor);

The Chairman of the CAASB shall be nominated by the Council of the Institute. The quorum of the CAASB would be three members.

The terms and period of appointment of the Chairman and other members, shall be decided by the Council of the Institute.

5. Procedure for issuing the Standards

- a. Proposals to develop new Standards or revise the existing ones, are identified by the CAASB based on the national and international developments, inputs from members of the Council of the Institute, CAASB members, members of other committees of the Institute, members of the Institute and/or recommendations received from the Government, regulators, industry associations, or other interest groups.
- b. CAASB determines the priorities of various proposals on hand for the development of the Standards.
- c. CAASB constitutes separate Task Force or Study Group consisting of resource persons to develop preliminary draft of each Standard based on appropriate research and consultation with all interest groups, other professionals and regulators. The Task Force /Study Group shall also consider relevant pronouncements issued by the IFAC, if any.
- d. The preliminary draft Standard prepared by the Task Force / Study Group is considered by the CAASB with inputs from the Technical Directorate. CAASB either clears the draft Standard, with or without any modifications or refers the same to the Task Force / Study Group for revision based on the deliberations of the CAASB.
- e. The revised preliminary draft Standard by the Task Force / Study Group is considered by the CAASB with inputs from the Technical team. CAASB clears the draft Standard with or without modifications for issuance as an Exposure Draft under the authority of the CAASB.
- f. Each Standard generally follows the following structure. In case of deviation, suitable explanation is provided by the Task Force / Study Group preparing the Standard.
 - i) Introduction
 - ii) Objectives
 - iii) Scope
 - iv) Definitions
 - v) Requirements
 - vi) Application and other explanatory material
 - vii) Effective date
 - viii) Statement of modifications

- g. Exposure draft of the Standard would be hosted on the website of the Institute and widely circulated for comments of stakeholders and public at large. Copies of the Exposure Draft are sent to the members of the Council, Past Presidents, members of the Regional Councils and to Chapters and circulated among other bodies for their comments. Exposure Draft is also sent to the following bodies:
- i) Ministry of Commerce, Government of Bangladesh
 - ii) Comptroller and Auditor General of Bangladesh
 - iii) Bangladesh Bank
 - iv) National Board of Revenue
 - v) Bangladesh Securities and Exchange Commission
 - vi) Industry Associations such as FBCCI, DCCI and MCCI
 - vii) Concerned regulators or any other body considered relevant by the CAASB keeping in view the nature and requirements of the Standard.

To allow adequate time for due consideration and comment from all interested parties, exposure period is of 30 days or longer as decided by the CAASB.

The comments and suggestions received within the exposure period are considered by the CAASB appropriately.

After taking into consideration the comments received, the proposed Standard is finalized by the CAASB and submitted to the Council of the Institute for its consideration and approval.

The Council of the Institute considers the proposed Standard, and if found necessary, modifies the same in consultation with the CAASB. The approved Standard is then issued under the authority of the Council of the Institute.

6. Procedure for issuing Guidance Notes

The procedure to be followed in this regard will be as follows:

- a. The Guidance Note will be drafted by the CAASB Secretariat with or without the support of outside experts. The draft shall take into account issues identified by the CAASB and queries or opinions received from various stakeholders during the exposure period of the Standard and after its publication.
- b. The Exposure Draft of the Guidance Note will be approved by the CAASB with or without modification to the initial draft and the same shall be hosted on the CAASB website at least for thirty days for public comments.
- c. The Secretariat will finalize the Guidance Note based on the comments received from the public and recommend the same to CAASB for its approval.
- d. The CAASB shall consider and approve, with or without modification, the Guidance Note for issuance.




7. Authority attached to the Guidance Note

The Guidance Note will be explanatory to the corresponding Standard and will not override the same.

Procedure for issuing Technical Guides, Practice Manuals and other Pronouncements

For issuance of a Technical Guide, Practice Manual, etc., the procedure followed by the CAASB is generally the same as in case of a Guidance Note except that the draft Technical Guide, Practice Manual, etc., is never exposed for public comments. Also since Technical Guide, Practice Manual, etc., do not have any authority attached to them, those are not required to be placed for consideration and approval by the Council of the Institute; rather they are issued by the CAASB under its own authority.

8. Procedure for Revision of the Standards, Guidance Notes, Technical Guides, Practice Manuals and other Pronouncements

The CAASB undertakes revision of the Standards, Guidance Notes, Technical Guides, and Practice Manuals, etc., based on the subsequent legal or professional requirements or any other national or international developments in the field of auditing. The procedure followed for revision is the same as that followed for formulation of a new Standard, Guidance Note, Technical Guide, or Practice Manual, etc., as the case may be as detailed above. 



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