



Audit Committee Report

The Board of Directors of Bangladesh Services Limited (BSL) constituted an Audit Committee as per instruction of Bangladesh Securities and Exchange Commission (BSEC). The committee consists of Mr. Md. Mosharraf Hossain ndc, Director, BSL Board and Chairman, NBR, Mr. Md. Atiqul Huq, Director, BSL Board and Additional Secretary, Ministry of Civil Aviation and Tourism, Ms. Fatima Yasmin, Director, BSL Board and Vice Chairman (Additional Secretary), Export Promotion Bureau (EPB) and Md. Abdul Quaiyum, Secretary (Joint Secretary), BSL. The committee met 6(six) times during the year ended 30 June 2019. All the members have tried to discharge their duties and responsibilities effectively.

Purpose of Audit Committee

The role of the Audit Committee is to monitor and review the internal audit and compliance process, financial reporting process focusing the genuineness of financial statements of the company and make recommendations when appropriate to the Board on the business risk, internal control and compliances. The committee shall also report immediately to the Board on the following findings, if any:

- a. On the conflict of interest;
- b. Suspected or presumed fraud or irregularity or material defect in the internal control system;
- c. Suspected infringement of laws, including securities related laws, rules and regulations;
- d. Any other matter as per terms of reference and which shall be disclosed to the Board of Directors immediately.

Authority

The Audit Committee is authorized by the Board to review activities within the business as per its terms of reference. Among the activities, the important one is the authorization to review the authenticity of quarterly, half-yearly and annual financial statements before sending those statements to the regulatory bodies and publish the quarterly reports in the national daily newspapers.

The responsibilities and duties of Audit Committee

The key responsibilities carried out by the Audit Committee were as follows:

1. Monitoring the authenticity of the financial reporting process ensuring compliance to accounting policies, standards and principles;
2. Reviewed the position of overdue receivables of BICC and Ruposhi Bangla Hotel, monitored the status of recovery and the periodical target and achievement;
3. Monitoring the internal control system and risk management process of the company;
4. Reviewed the findings and adjustments arising from the company's statutory audit and ensured that the statutory auditors were not engaged in any alongside involvement in the company;
5. Suggested for maintaining communication during renovation period to the valued ex-customers like International development Organizations, Embassies, Multinational companies and Government Organizations for the purpose of keeping in touch with them;
6. Reviewed the major changes made in the newly circulated Corporate Governance Guidelines vide BSEC's notification dated 3 June 2018 and advised the management to comply with the Corporate Guidelines;
7. Reviewed the status of company's ability to its debt service position for the loan sanctioned for renovation of the hotel alongwith cash management of the company;
8. Reviewed the status of legal action for disputed demand of tax authority for VAT and supplementary duty and gave decision to file an appeal for Alternate Dispute Resolution (ADR) with an advice to follow up the matter with NBR;
9. Reviewed the internal audit report on the activities of Human Resource department submitted by the Internal Audit Department, evaluated the risk related thereto and gave direction to the General Manager to fix the responsibility for negligence of duty for making overpayment to the overstayer in service after expiry of retirement date;
10. Overseeing the audit carried out by the Internal Audit Department to evaluate the activities of Purchase department and Usage department to see the adequacy of controls in place to ensure its quality, fairness and transparency;
11. Reviewed the process for appointment of Statutory and Compliance auditors alongwith fixing of their remuneration;
12. Internal Audit Manual and Whistleblowing policy were reviewed by the Audit Committee which gave decision to get it reviewed by the professional experts. After submission of the reviewed manual, it had been further reviewed by the Audit Committee and recommended for approval of the Board. Accordingly, the Audit Manual and Whistleblowing policy were approved by the Board of Directors;
13. Reviewed the imposition of collecting city tax @ 5% from resident guests of hotel as per newly promulgated City Corporation Adarshaw Tax Schedule, 2015 and evaluated the potential risk to be faced in the hotel business and gave direction to write a letter to appropriate authority for giving waiver from the imposition of tax on hotel operation under this law;
14. Other activities as per terms of reference and assignments imposed by the Board of Directors from time to time.

Sd/-
(Md. Mosharraf Hossain Bhuiyan, ndc)
Chairman
Audit Committee