

Independence Policy and Client Acceptance Policy

for
M A Fazal & Co.
Chartered Accountants

Objective:

To ensure that the firm and its employees maintain independence in fact and appearance in all professional activities and engagements.

1. Scope

This policy applies to all partners, staff, and subcontractors associated with the firm.

2. Independence Requirements

- **Financial Interests:** No partner or staff member should have a direct or material indirect financial interest in a client.
- **Business Relationships:** The firm must not engage in business relationships with clients that could impair independence.
- **Family Relationships:** Close family members of partners and staff should not hold key management positions in client organizations.
- **Employment Relationships:** Partners and staff must avoid employment relationships with clients, such as serving as an officer, director, or employee of a client.
- **Non-Audit Services:** The firm should not provide non-audit services to audit clients that could impair independence.

3. Monitoring and Compliance

- **Annual Declaration:** All partners and staff must complete an annual declaration of independence.
- **Training:** Regular training on independence rules and regulations will be provided to all staff.
- **Review and Monitoring:** Independence will be reviewed regularly by the compliance officer, and any breaches will be addressed promptly.

4. Breach of Independence

- Any breach of this policy must be reported immediately to the compliance officer.

- The firm will take appropriate action, which may include removing the individual from the engagement, additional training, or disciplinary measures.

Client Acceptance Policy for M A Fazal & Co., Chartered Accountant:

Objective:

To ensure that the firm only accepts clients whose values and business practices align with the firm's ethical standards and that the firm has the capacity to provide quality services.

1. Client Screening

- **Background Check:** Conduct thorough background checks on potential clients, including reputation, financial stability, and legal issues.
- **Conflict of Interest:** Ensure there are no conflicts of interest with existing clients.
- **Ethical Considerations:** Evaluate the client's adherence to ethical business practices.

2. Risk Assessment

- **Financial Risk:** Assess the financial risk associated with the client, including the likelihood of financial distress or insolvency.
- **Reputational Risk:** Consider the potential impact on the firm's reputation.
- **Legal and Regulatory Risk:** Evaluate any legal and regulatory risks.

3. Engagement Capacity

- **Resources and Expertise:** Ensure the firm has the necessary resources and expertise to perform the engagement effectively.
- **Workload Management:** Confirm that accepting the client will not overextend the firm's current workload.

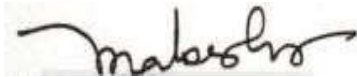
4. Client Approval Process

- **Initial Review:** The engagement partner conducts an initial review of the prospective client.
- **Committee Review:** A client acceptance committee reviews high-risk clients and provides final approval.
- **Documentation:** Document the decision-making process and maintain records of all assessments and approvals.

5. Ongoing Monitoring

- **Annual Review:** Conduct annual reviews of existing clients to reassess risk and compliance with the firm's policies.
- **Termination:** The firm reserves the right to terminate the client relationship if there are significant changes in risk or ethical concerns arise.

These policies are essential for maintaining the integrity and reputation of the firm. Regular training and monitoring ensure adherence and allow for adjustments as necessary.



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