|  |  |
| --- | --- |
| **Client Name:** Cosmopolitan Industries (Pvt.) Limited | |
| **Accounting period:** 01 July 2021 to 30 June 2022 | |
| **Prepared by:** Salauddin Morshed | **Date:** 2 June 2022 |
| **Reviewed by:** Faruk Uddin Ahammed | **Date:** 2 June 2022 |
| **Subject:** Minutes of discussion relating fraud |  |

**Objective:** The objective of this MEMO is to document the discussion minutes of Meeting held on 27 May 2022 (4.00 PM – 5.30 PM) between audit Engagement Team (ET) and management & those charge with governance (TCWG) of Cosmopolitan Industries (Pvt.) Limited.

**Attendee:**

|  |  |  |
| --- | --- | --- |
| **Name** | **Designation** | **Present/ Regret** |
| Nilan Perera | General Manager, Cosmopolitan Industries (Pvt.) Limited | Present |
| Golam Mowla | Deputy General Manager, Cosmopolitan Industries (Pvt.) Limited | Present |
| Faruk Uddin Ahammed | Engagement Partner, Nurul Faruk Hasan & Co. | Present |
| Salauddin Morshed | Manager, Nurul Faruk Hasan & Co. | Present |

**Topic Discussed and Resolutions Obtained:**

|  |  |  |
| --- | --- | --- |
| **Topic** | **Discussion** | **Resolution (if any)** |
| Fraud queries | Management of Cosmopolitan Industries (Pvt.) Limited, in their best knowledge, has not any knowledge or news regarding any committed or suspected fraud during audit period.  Cosmopolitan Industries (Pvt.) Limited has a strong corporate governance system and internal controls. It holds zero risk tolerance towards fraudulent activities. Possibility of frauds, to be committed by management or those in-charge of  governance, is very low. | ET will send fraud questionnaire to three persons (Management, Other Entity Personnel, and Those In-Charge with Governance) of Cosmopolitan Industries (Pvt.) Limited, and obtain signed copies of these. |
| Significant risks | Revenue and Management Override of  Control (MOC) have been considered as significant risk items for this audit. |  |
| Key customers/ going concern | Cosmopolitan Industries (Pvt.) Limited has 2 customers: |  |

|  |  |  |
| --- | --- | --- |
|  | 1. Epic Designers Ltd., Hong Kong SAR |  |
| 2. Epic Garments DWC - LLC, Dubai - UAE |
|  |
|  |
| Threat to going concern for Cosmopolitan Industries (Pvt.) Limited is minimal as key customers will not move for backward integration and low bargaining power of the suppliers. As well, the company has strong technic know-how and high products differentiation. |

# Follow-up of Resolutions:

|  |  |  |
| --- | --- | --- |
| **Topic** | **Resolution (if any)** | **Follow-up** |
| Fraud queries | ET will send fraud questionnaire to three persons (Management, Other Entity Personnel, and Those In-Charge with Governance) of Cosmopolitan Industries (Pvt.) Limited, and  obtained signed | Done |

~**END**~