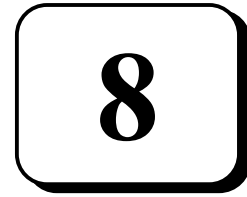


## CORPORATE REPORTS



This unit aims to equip you with some of the essentials. After completing this unit you should be able to:

- identify the purpose of having meetings in an organisation, company
- explain the nature of minutes of a meeting and how to write minutes of a meeting
- describe the purpose of notices and how to write notices
- assess the model reports (auditors report, director's report etc.) presented in the lesson and assess where in the process your own weaknesses and strengths lie.

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## UNIT-8

### Lesson-1: Some Internal Communication

After reading this lesson you will be able to:

- explain the importance of meeting as a tool of management
- write minutes of a meeting
- prepare 'notices' to give short announcement of events, decisions of interest to the staff
- write resolutions.

#### *Why do organisations have meetings?*

Although time consuming, unpopular, and difficult to arrange, meetings serve as the most powerful means of managerial communication. One of the keys to a successful meeting is being clear about why it is happening at all.

If you are in the position of deciding whether to call a meeting, you should first ask yourself. "**What do I hope to get out of it?**" If your answer is just to get "some ideas", you would probably do better to postpone any meeting and try to gather ideas in some other way — say, through one-to-one conversation. Usually most meetings fall into one or more of these categories:

- to consult by giving or receiving advice
- to brief or review — such as give a progress report on a project
- to make a decision
- to solve a problem
- to negotiate
- to generate creative ideas.

Although discussion is the essence of meetings, nevertheless committee meetings cannot function efficiently without the large amount of written work they involve. The main meeting documents are:

the notice of the meeting  
the agenda  
and the minutes

#### **Notice**

Committee meetings must be formally conveyed. This means that notice that a meeting is to be held must be sent by the secretary to all those who are entitled to receive it and who will be attending. Notices of this kind do not have any set form but must comply with the principles of communication i.e., they must have accuracy, brevity, and clarity. These notices must also have completeness so as to leave no doubt in the mind of the readers.



Notices of other types such as short announcements of events or decisions of interests to the staff in an organisation also do not follow the structure of all communications i.e., having an introduction-body-conclusion structure but accuracy, brevity and completeness are important and the origin of the notice should also be indicated. Notices for committee meetings must be signed by the receivers and if the agenda is not sent with the notice, brief details of the matters to be dealt with at the meeting can be given.

**VILLAGE ENGINEERING SPORTS AND SOCIAL CLUB**

**NOTICE OF A MEETING**

A meeting of the Village Engineering Sports and Social Club Committee will be held at 5:30 P.M. on Friday 9 June 1995, in the Club House Committee Room.

Sausen Shirin  
Secretary

Notices serve the same functions as memorandums. There are certain differences between the notices and memorandums.

Number of receivers: There is no fixed number of receivers for a notice. Notices are means of mass communication. They are not sent through the internal post but put on bulletin boards or as in the case of one firm, chalked on the floor.

Direction of the communication — They are used by those at medium and higher levels to communicate to those at the lowest levels of the hierarchy.

Because notices are used exclusively for down ward communication, there may be indirect feedback from the receivers and that could also be a disruptive kind — sometimes. Notices are less capable of conveying complex messages effectively than memorandums. If you wish to make notices effective, avoid complicated language and use very short sentences and phrases.

**NOTICE**

The management wishes to announce the commencement of a dental service which is available to all staff, free of charge. The consulting dentist Mr. Patrick Paul has had many years of experience in private practice and will be available to see staff on Monday afternoon (26-8-95) between 2 p.m. and 4 p.m. in room 5. Appointments should be arranged with the staff supervisor, Mrs. Choudhury.

Nazrul Islam  
Personnel Manager

### **Agenda**

Even a short informal meeting can benefit by having an agenda. Agenda is a list of items proposed to be discussed at a meeting and sent to those attending well before the meeting. Like the notice agenda is prepared by the secretary, sometimes with the help of the chairperson and distributed to committee members. It is also very important and useful to send a note with the agenda emphasising the main objectives for the meeting.

Brief agenda can be sent for frequent regular departmental meeting where the participants know each other and issues as well. To some extent the content of the agenda is determined by what has happened at the previous meeting. Certain items will always appear:

- apologies for absence
- minutes of the last meeting
- any other business
- date of next meeting

The following example illustrates the normal form which the agenda takes. Notice that the items are arranged so that they can easily be distinguished at a glance. It gives start and finish times by allowing people to prepare properly by showing them what the meeting is about.

**VILLAGE ENGINEERING INC.**

**AGENDA**

**Departmental Meeting**

**June 7, 1995**

**9:30 a.m. — 11:00 a.m.**

**Conference Room 4**

- 1. Apologies for absence**
- 2. Minutes of last meeting**
- 3. Items from minutes not on agenda**
- 4. Staffing**
- 5. Secretarial Support**
- 6. Office Move**
- 7. Any other business [A.O.B]**
- 8. Close (Date of next meeting)**

This agenda is a valuable aid to secretary for preparing minutes because it lists the topics to be discussed.

**Minutes**

Minutes are the official records of meetings. Minutes serve **two purposes**; as a record, they provide a history of the transactions which is available for future reference; they also provide the concerned authorities with the basis for action. Copies of minutes are distributed to all members and interested superiors as a way of keeping track of proceedings.

The person appointed as secretary records the minutes. As accuracy is important, the minutes should be written as soon as possible after the meeting. The minutes must be precise, clear, highly informative, and free of the writer's personal commentary ("As usual, Ms. Kanta disagreed with the committee") or judgmental words ("good", "poor", "irrelevant"). When you record minutes answer these questions below:

- Which group held the meeting?
- When and where was it held?
- What was its purpose?
- Who chaired the meeting?
- Who else was present?
- Were the minutes of the last meeting approved (or disapproved)?
- Was anything resolved?

Answer to these above questions will help you write effectively the minutes of a meeting.

### **Guidelines for effective minutes writing**

All the minutes of meetings have their strength and weaknesses. There are some guidelines which can make minutes more effective if followed properly.

- All managers have to participate in meetings as well as chairing them. If you are chairing the meeting, then ask someone else to keep notes during the meeting. Take care to note who is present and who sent apologies.
- Check their accuracy with someone else present if in doubt.
- Keep the language simple.
- Be brief.
- Name the person who makes the motion and the person who seconds it.
- Record the votes on each motion along with a description of the motion itself.
- Distinguish between facts and opinions.
- Use the same numbering system as you used for the agenda.
- Distribute within two days of the meeting.
- Ask for feedback from members on their views of the meeting record, do they want fuller, briefer, clearer notes?
- Highlight points of agreement as well as action points.
- Any other points that you feel important.

Here is an example showing how the record of the meeting whose agenda was given on page-5 might look.

**MINUTES OF DEPARTMENTAL MEETING  
JUNE 7, 1995 CONFERENCE ROOM 4**

Present : Dr. E. Haque (Chair), Md. Mazharul Hasan, Mr. Saleh

Ahmed, Md. Shehab Khan, Ms. M. Aftab, Md. S. Haque, Md. Qumrul Hasan, Ms. S. Zafar. Ms. S. Karim

**1. Apologies for absence**

Mr. R. K. Raihan sent his apologies for remaining absent.

**2. Minutes of last meeting**

Action points : Dr. E. Haque reported progress on ordering new microbus - Dr. Haque said that furnishing of the offices had been completed.

**3. Items in minutes not on agenda**

M. Aftab raised the question of access to budgetary information.

Agreed : to distribute the yearly statement to everyone. Action  
E. Haque

**4. Staffing**

E. Haque reported that there will be an interview to fill the current vacancy by the end of this month and that seven outside candidates had been short listed.

Negotiations were continuing on creating three extra posts. A decision was expected very soon.

**5. Secretarial Support**

In a lively discussion the following points were made:

- Secretaries are overloaded with their work
- They feel they need some other people to share their load.

Agreed : to hire more secretaries Action  
S. A., M. A., S. K., S. Z.

**6. Office move**

The working party report was received and discussed

Agreed: to accept all recommendations (report attached)

**7. A.O.B**

None

**8. Date of next meeting**

June 30, conference room 4.

Minutes are the written record of a meeting and they must be completely clear in order to serve their purpose. The notes should be written in the form of sentences.



### **Resolutions**

Resolutions expressing sympathy, appreciation and congratulations may be a part of a business meeting. After the resolution is typed on a good quality paper and signed by the president and secretary, it is sent as a formal document to the appropriate person. A copy of the resolution is included into the meetings. In writing resolutions the word "WHEREAS" begins the paragraph giving the reasons for the resolution and the word "RESOLVED" begins the paragraphs stating the action to be taken.

Example is as follow.

<p>Resolution Adopted June 7, 1995</p>	
<p><b>Whereas</b>, The Village Engineering Inc. has had an unusually successful research conducted; and</p>	
<p><b>Whereas</b>, The success of this was due to the competent leadership of Rabiul Islam, Chief Engineer; therefore be it.</p>	
<p><b>Resolved</b>, That the members of this organisation express gratitude to Mr. Rabiul Islam; and be it.</p>	
<p><b>Resolved Further</b>, That the secretary present a copy of this resolution to Mr. Islam, on behalf of The Village Engineering Inc.</p>	
<hr/> <p>M. Saifuddin, Secretary</p>	<hr/> <p>E. Haque, President</p>

### **Question for Review**

These questions are designed to help you assess how far you have understood and can apply the learning you have accomplished by answering (in written form) the following questions:

1. Write down the six categories of meeting that you have learnt from this Lesson-1.
2. Why do you have to write notices and for which level of communication you use the notices?
3. a. As a secretary of the Student's Union prepare the notice and agenda for a Union Committee meeting  
b. Write the minutes of the above meeting.
4. Write a resolution to the member secretary of an organisation expressing sympathy for the death of his wife.

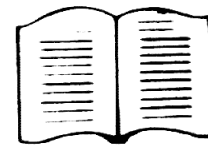
## Lesson-2: Some Essential Reports

After completing this lesson you should be able to:

- explain what is an audit and who are auditors
- differentiate between management audit, and accounting firms
- write an audit report by following the sample audit report presented in the lesson
- write a report as the chief executive of a company by assessing the sample report presented
- describe the role of Audit Committee
- assess your own abilities in writing a report as director of your own company.

### *What are management audit and operational audit?*

Each and every company has some established rules and regulations of its own, known as statutory rules. Each company again may succeed as a marketing or engineering organisation, while being poorly managed; it may succeed because of a favourable environment such as a sellers' market, as often happens in wartime, despite inadequate management. If the quality of managing will ultimately make the difference in success or failure, then certainly this quality should be given an assessment, separate from the ability to do well in marketing, engineering, producing or financing. This kind of assessment is known as management audit. It covers evaluation in the field of



**Planning**  
**Organising**  
**Staffing**  
**Directing and**  
**Controlling**

But there is another audit in all enterprises known as Operational Audit - auditing the quality of operations. This kind of audit is about management decision; dealing with the quality of decisions in the areas of long range and company wide **Planning, Marketing, Operations (Production, Material), Personnel, Accounting and Finance**

So we can say each company use some systems and techniques for implementing internal control to improve the accountability for actions, the accuracy and reliability of records, the safeguarding of assets and the overall efficiency of operations - The key role in achieving these goals is played today by a company's **audit committee**.

### *What in an audit?*

An audit is an appraisal of the entire enterprise in the light of its present and probable future environment. The audit system appraises the

company's position to determine where it, where it is heading stands under present programmes, what its objective should be, and whether revised plans are needed to meet those objectives. If the enterprise does not change course to suit the changing social, technical and political environment, it loses markets, personnel, and other requirements for continued existence. The enterprise self audit is designed to force management to meet this situation.

***Who are auditors and what type of reports they write***

An auditor is a professional who conducts an independent examination of the accounting data presented by the business enterprise. If the auditor is satisfied that the financial statements (the balance sheet, the income statement, the statement of changes in financial position, and the statement of changes in owners' or stockholders' equity) represent the financial position and results of operations, an opinion is expressed on audited statements as indicated below from the report of a group of auditors.

We have examined consolidated balance sheet of Palki Chemical Corporation and consolidated subsidiaries as of December 31, 1994 and 1993 and the related statements of consolidated Income and Changes in consolidated financial position for each of the three years in the period ended December 31, 1994. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company at December 31, 1994 and 1993 and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1994, in conformity with generally accepted principles applied on a consistent basis.

In preparing this report, the auditor follows these reporting standards:

1. The report shall state whether the financial statements are presented in accordance with generally accepted accounting principles.
2. The report shall state whether such principles have been consistently observed in the current period in relation to the preceding period.
3. Informative disclosures in the financial statements are to be regarded as reasonably adequate unless otherwise stated in the report.
4. The report shall contain either an expression of opinion regarding the financial statements taken as a whole or an assessment to the effect that an opinion cannot be expressed. When an overall opinion cannot be expressed, the reasons therefore should be stated. In all cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the character of the degree of responsibility being taken.

In short, these standards require that an auditor state in the opinion that generally accepted accounting principles have been followed and that they have been applied on a basis consistent with that of the preceding year. In most cases, the auditor issues a standard **unqualified** or "**clean**" opinion; that is, the auditor believes that the financial statements do present fairly the financial picture on a basis consistent with that used in the preceding year.

### ***Audit Committees***

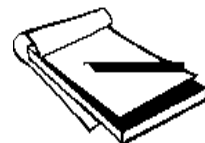
These are typically composed of three or more "outside" board members. Not being everyday employee of the company, they are usually considered to be more independent than the "inside" directors, who, as employees, also serve as part of the corporation's management.

The **objective of the audit committee** is to oversee the accounting controls, financial statements, and financial affairs of the corporation. The Committee represents the full board and provides personal contact and communication among the board, the external auditors, the internal auditors, the financial executives, and the operating executives. These relationships are depicted in Exhibit 1.1. The display in Exhibit 1.1 is only one of many possible arrangements. Above all, note how the audit committee is supposed to be the main pipeline to the board of directors, especially for individuals responsible for the accounting functions. Exhibit 1.1 shows that the internal audit manager is directly responsible (solidline) to the accounting executives, who, in turn are directly responsible to both the audit committee and the executive vice president. The dashed line indicate that the audit department should communicate with and gather information directly from the external auditors and the internal auditors.

The internal auditing department sometimes is directly responsible to the executive vice president, or to the president or to the audit committee itself.

#### **ACTIVITY**

What is the objective of an audit committee?



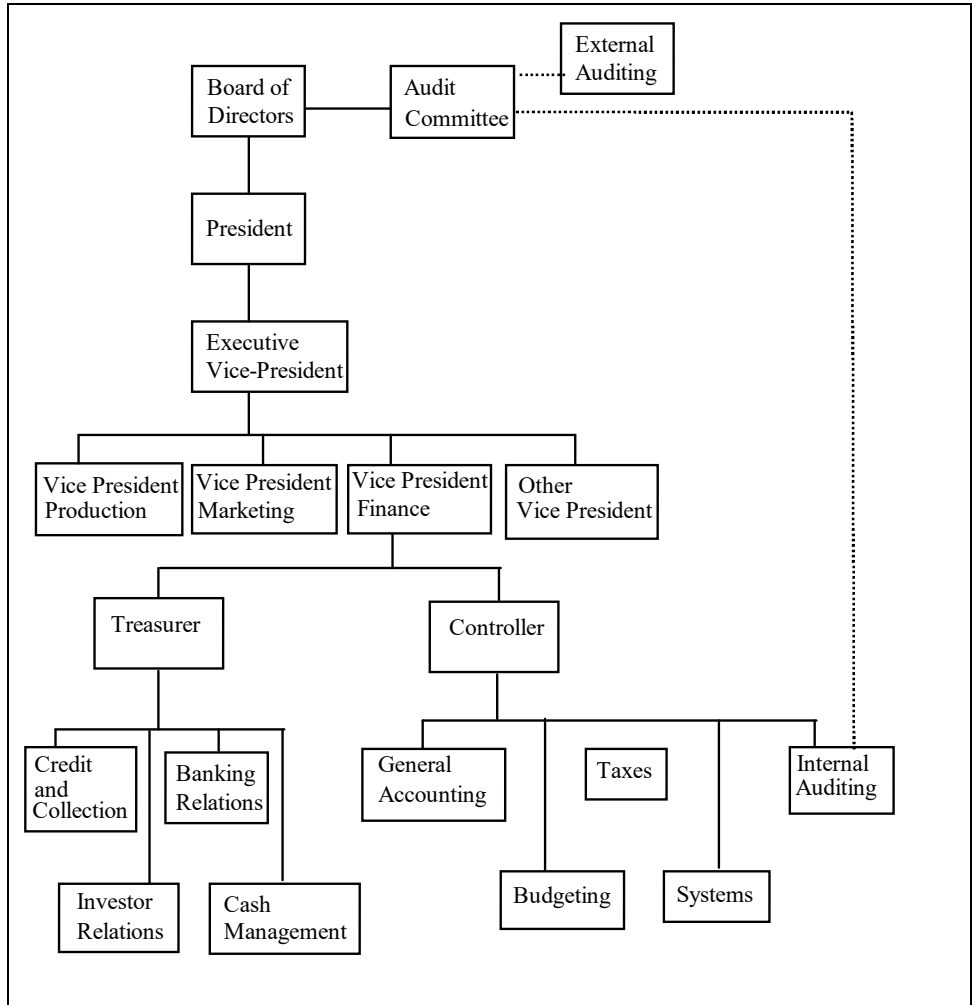
### ***When does an Audit Committee have a meeting?***

The committee typically meets at least twice annually. The **first** meeting is to review the annual external audit plan; the **second**, to review the audited financial statements before their publications. Additional meetings may be held (a) to consider and approve the retention of the external auditors; (b) to review the company's accounting system, particularly the internal controls; and (c) to review any special matters raised by internal audits. Meetings should be attended by the Chief Financial Officer and a representative of the external auditing firm. At least once a year, the committee should discuss with the external auditors, their evaluation of corporate management (without the presence

of the latter). Similarly, the committee should discuss with management their evaluation of the external auditors. The committee selects the independent public accountants annually in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the meeting.

**Exhibit 1.1.**

Typical Corporate Organisation Chart



**Exhibit 1.2.**

A sample Report of Independent Public Accountants

Report of Independent Public Accountants  
 To the Shareholders and the Board of Directors  
 of  
 Summersets Inc.:

We have examined the balance sheets of SUMMERSETS, INC. (the "Company"), a Dhaka corporation, as of December 31, 1994 and 1993, and the related statements of operations, shareholders' investment and changes in financial position for each of the three years in the period ended in December 31, 1994. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

**The company has incurred costs amounting to Tk. 782,4000 at December 31, 1994 and Tk. 189,3000 at December 31, 1993 in connection with the construction of an excimer laser. As explained in Note 11 to the financial statements, the realisation of these costs is dependent upon the success of the Laser Division's future operations.**

**In our auditors' report dated 15 May 1994 our opinion on the 1993 financial statements expressed a qualification with respect to realisation of costs incurred in connection with the company's proposed underwritten public offering. As explained in Note 6 to the financial statements, the company completed the public offering on July 16, 1994 and realised the related costs incurred. Accordingly, our present opinion on the 1993 financial statements, as presented herein, is different from that expressed in our previous report.**

In our opinion, subject to the realisation of the excimer laser costs discussed in the second paragraph, the financial statements referred to us present fairly the financial position of Summerset Inc., as of December 31, 1994 and 1993, and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles applied on a consistent basis.

February 25, 1995  
Manikganj, Dhaka Division

Tamal Choudhury  
AHMED HASAN & CO.

**Exhibit 1.3.**

A sample Audit Report no. 2

**ARTIN AMREEN & CO.**

**To the Stockholders and Board of Directors;**

**Tamarin Inc.**

We have examined the balance sheet of Tamarin Inc. (a Delaware

Corporation) and consolidated subsidiaries as of December 31, 1991 and 1990, and the related statements of income, changes in common and other stockholders' equity and changes in financial position for each of the three years in the period ended December 31, 1991. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the 1991, 1990, and 1989 financial statements of certain consolidated subsidiaries and certain other subsidiaries reflected in the consolidated financial statements utilising the equity method of accounting. Earnings of such subsidiaries comprise approximately 8%, 10% and 13% of consolidated net income for the years ended December 31, 1991, 1990 and 1989, respectively. The financial statements of such subsidiaries were examined by other auditors whose reports there have been furnished to us, and our opinion expressed herein, so far as it relates to the amounts included for such subsidiaries, is based solely upon the reports of other auditors.

In our opinion, based upon our examinations and the reports of other auditors presented to us, the aforementioned financial statements present fairly the financial position of Tamarin Inc. and consolidated subsidiaries as of December 31, 1991, and 1990, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1991, in conformity with generally accepted accounting principles applied on a consistent basis.

Dhaka  
February 15, 1992

ARTIN AMREEN & CO



***How do you write a report as being a Director of a Company?***

Suppose you are the Director of a Computer Centre and is responsible to the College president for operation of the Computer Centre as a teaching resource of the college. You are also responsible for answering administrative request for computer operation. Suppose you have more functions stated as below:

- as a director you in fact advise the president in report form about policies and procedures for effective computer use.
- sometimes advise chairpersons, faculty, and staff about computer applications in teaching or administrative duties.
- submit budgets request to the Dean of administration.
- supervise the data processing of college computerised records.

So for all the above functions to be carried out effectively you need to communicate most often in written report form to various people. Below is a sample report of a Director to all the faculty, and staff about the change of address and introduction of a new computer technology.

Exhibit 1.4.

TO : All the members, students of Techno Engineering College

FROM : Mrs. Humayun Kabir, Director

Date : August 7, 1995

We are glad to announce that at the end of this month Techno Engineering College will be moving from Gazipur to Gulshan Premises in Dhaka. Also we are introducing CAD (Computer Aided Programme) in our computer centre from September 15, 1995.

The new premise will be twice the size of that in Gazipur and, we shall also be installing some new plants from next year January, 1996. We expect to improve present teaching standards considerably during the next six months.

If you would like to visit these new premises before August 30, please contact us and we can arrange a convenient time. Thank you.

A Director's Report (sample)

### **Question for Review**

These questions are designed to help you assess how far you have understood and can apply the learning you have accomplished by answering (in written form) the following questions:

1. What do you understand by a management audit and an operational audit?
2. Who are auditors?
3. Why does an organisation need an audit report?
4. Write an audit report as one of the public accounts chosen for a company?
5. Suppose you are the Personnel Director of a company and have to write assessment report on candidates applying for jobs. Write a recommendation report for a candidate you consider suitable for the post advertised from your company?