

Breaking the barrier of indifference



MUHAMMAD NURUL HUDA

SOIOLOGICALLY speaking, Bangladesh polity is passing through exciting times. Individuals and institutions are absorbing hitherto unimaginable shocks, at times in huge embarrassment and shame. There are emerging realities that, admittedly, are causes of discomfiture to the guardians of the immediate past. The unbridled avarice of public leaders has frustrated and pained many.

The question is, do we have to agree with some cynics who relish saying that we have an excessive, almost self-emasculating, disrespect for propriety and fairness? Said differently, have we failed to use the moral and civil freedom that is required to control the affairs of the state?

The Bangladesh polity, as it appeared in the yesteryears, was perhaps more concerned with according precedence to the power struggles of insensitive political parties, while issues of real freedom could wait. In such a scenario, we witnessed the rise of an authoritarian structure which is based on an assumption that specifically repudiates the idea of popular sovereignty. Thus, in their not very brief and power-obsessed incumbency, political govern-

ments have mostly denied the citizens the opportunity to grow in self-reliance and political responsibility.

One may not be far from reality in saying that the causes of our present socio-political predicament lay in the absence of Constitutional restraints upon, or effective democratic opposition to, an apparently lackadaisical course. Another tragic aspect of our failure was the lack of enough energetic and dedicated people who com-

observe the generational differences of attitude because these are not often explicitly reflected in opinion polls. It may not be improper to suppose that the people who had reached maturity in the late seventies, eighties and nineties do not always feel the same commitment to the Republic as their elders, who remember the liberation struggle and the politico-economic injustices of the sixties and earlier. The younger generation is more inclined to find

state as being synonymous with the government. Conversely, the mindless opposition to authority remains a fixed characteristic of Bangladeshi political attitudes. In fact, to most citizens, the connection between their expression of opinion by means of the ballot and the decisions that the government eventually takes is by no means clear.

Unfortunately, the prejudice against politics is still very much alive. To the average Bangladeshi,

cratic political culture rests.

The enemies of our democracy would point the accusing finger towards the economic malaise and highlight the so-called "crisis of legitimacy," and harp on the theme of un-governability as a new criticism of the democratic system. Unfortunately, our political culture shows a relatively low tolerance for non-conformity and dissent, and a distressing tendency to attempt to counter them by means of legal disabilities and prohibitions. Some

tural overtones. The power structure has to take into account the changing system of production.

To be specific, the present government may be the appropriate change agent to commence professionalising the public services, as opposed to their politicisation. The state machinery cannot be used for political and private purposes. It is time to start the process for establishing a lean and efficient government away from the Darbari ethos.

On the question of choosing our political guardians until education is ensured for the large majority of our population, we have to unfortunately depend on the "illiterate intelligence" of the masses as against the "educated incapacity" of the privileged. In the meantime, we have to stop voting ignorant professional politicians to power.

The time has come for citizens to wrest the initiative from professional politicians, and insist upon persons of knowledge, vision and character to be chosen as representatives at different tiers. This is so because we are caught in a vicious circle. Persons of talent and integrity will not enter public life due to the filth and the stench; and yet public life cannot be cleansed unless persons of talent and integrity enter it.

We have to, once and for all, stop vacillating between the virtues of elected and non-elected governments. If our dilemma is not the seeking of instant results and gratification, as some cynics would like to believe, then the seed of democracy has to have a natural course of fruition. For sustainable development there is no substitute to long-term commitment.

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MUHAMMAD HABIBUR RAHMAN

To Tuntuni

I am finding it difficult to understand her game
I thought I should give her a charming new name.
But, as expected, she sharply reacted and gave a firm no.
She would not have any new name
She had already two beautiful names,
Three would be too many.
But I have decided when I am all alone
I will call her by that name.
Tuntuni is her new name
It is after a bird of fame.
When I am all alone I call her by that name.
But Tuntuni has recently flared up at me.
I thought she was a part of my life, a significant part
A precious little part.
Then I thought she was a small particle in my life
An insignificant part.

I pressed inadvertently control and delete
And alas! I had it!
She soon vanished away from my screen!

Now I know how significant she was in my life
A precious, a very precious part in my life.
Even if she were a small particle
She is a very significant particle
A very precious particle in my life.

She must come back to me,
You please come back to me
How shall I retrieve you now?
Please tell me what is that vow
I shall take for you?
Should I do the padmasan for you?

I am no body to you?
Alright, I should not ask you
What was that happened to you
On the thirty-first of May.
And won't you say
Why you looked on the day
So subdued and forlorn!
Can you make a self-portrait
How did you look on that date?
What was the secret
That made you look both tense and acute!
You looked so petite and cute?
You looked like a little tuntuni,
With yourself in complete harmony,
Could only be seen from afar,
But can't be touched, something shall you deter.

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Could people see a cleaner Dhaka city?



MD. ASADULLAH KHAN

DISPOSAL of waste that poses a severe threat to human health and habitat has remained an awful problem for the affluent industrialised countries. People might recall the long voyage of the ship "Pelicano," filled with 14,000 tonnes of toxic incinerator ash loaded in Philadelphia in 1986, as a stark symbol of environmental exploitation of poor countries by the rich. It also represents the single most irresponsible and reckless way to get rid of the mountains of refuse, much of it highly poisonous.

The ship, it is learnt, sailed around the world for more than two years, seeking a port that would accept its cargo. However, it was further learnt that it brazenly dumped several thousand pounds of its unwanted cargo in 1989 off a Haitian beach then slipped back out into the sea. The captain of the ship said a month later that he had unloaded the ash in a country that he refused to name. Our coastal region, the Bay of Bengal, might have been such a dumping place.

Indiscriminate dumping of such toxic ash in places far away from the country that produces it shifts potentially hazardous waste from one place to another. This practice underscores a global dilemma and pinpoints the necessity of reducing the waste by-products of civilisation without endangering human health and damaging the environment. These poisonous chemical soups, the product of chemical factories like fertiliser, petroleum products, metal smelters, plastic materials and nuclear wastes spoil the water of the countries that have gone for industrialisation.

Scarcely a country that has not thought of proper and safe disposal of its industrial wastes has been spared of the scourge. Hong Kong, for example, with about 6 million people and about 60,000 factories within 400 sq. miles, dumps 1000 tonnes of plastic a day, and is going to face an equally hazardous problem. The river Buriganga and Shitalakhi flowing by Dhaka, and Karnaphuli in Chittagong, have almost turned blackish as the stinking soup and excrement continue to contaminate their waters. Liquid waste is being drained into the rivers round the clock. The places around the rivers reek with a horrible stench.

Before the CTG took over the reins of the administration, slums and business establishments had sprung up on both the banks of the river Buriganga. Worryingly, people of the neighbouring areas stroll on the riverside and on the flood protection embankment, unmind-

BITTER TRUTH

Landfills and incinerators, even if they are spewing harmful emissions will be needed for a well-managed waste disposal system. But where possible, landfills should be fitted with impermeable clay or synthetic liners to contain toxic materials, and with pumps to drain out liquid waste for treatment elsewhere. And DCC, if it has not done and thought about all these measures earlier, must not falter now.

ful of the sickening smell that pervades the surroundings. People travel in boats across the shrinking river, defying the long settled smell, all but forgetful of the health risks these establishments pose.

Unmistakably true, the tannery industry at Hazaribagh in Dhaka, although featuring prominently in earning foreign exchange, is causing horrendous environmental pollution posing grave health risks. Most tannery workers live in a sickening environment, and are exposed to harmful chemicals and toxic wastes. Unhappily, exposure to these deadly chemicals for long may cause serious diseases. Like an Indian uranium mine in Jaduguda in northern Bihar that is blamed for a spate of horrifying illnesses afflicting local villages, Hazaribagh might become the woe of Dhaka residents.

With population outstripping the land space in the Dhaka city, the trash production has far exceeded the disposal system available. Sadly true, a modern and eco-friendly trash management system cannot be found in the country. Happily, research work on trash management and recycling goes on unabated throughout the world by governments and entrepreneurial organisations inspired with business motive as well as social obligation. Dhaka city, it is learnt from the DCC sources, tosses away about a million tons of solid waste annually, which is dumped in the landfills and low lying areas of the Dhaka city. But run-off from the landfills has been contaminating drinking water, posing a serious health hazard to the citizens.

Incineration is being considered by some major cities, but burning garbage produces significant amount of toxic ash, which itself causes disposal problems as well as health hazards. Dhaka city has not been spared of the scourge originating from huge stockpiling of wastes in the houses, roadsides, and broken dustbins placed haphazardly in important locations and crowded places. From the festering landfills to waste-choked drains of the Dhaka city trashing goes on. Shockingly, stinking garbage, chemical effluents and human excreta despoils Dhaka's once unspoiled environment.

Speaking about disposal of garbage in the big cities, there is one school of thought taking recourse to incineration without having any thought about the consequences. When garbage is burned, it spews dangerous gases into the air. Besides, dumped garbage and industrial waste can turn lethal when corrosive acids, long-lived organic materials, and discarded metals leach out of landfills into ground-water sup-

plies, contaminating drinking water and polluting farmlands.

The disposal of these wastes, mostly hazardous, has posed a serious problem for many countries. In many countries, acres of landfills of liquid waste have been created that only a few countries have been able to dispose of. Incinerators also prove to be burdensome investments for many countries, entailing serious limitations. Contaminant-laden ash residue itself requires a dump site. On the other hand, growing consumer demand for more throw-away packaging adds to the volume.

A few developing countries have regulations to control the output of hazardous waste and fewer have the technology or trained personnel to dispose of it. Many African and Asian countries, including India, Pakistan, Sri Lanka and

enforcement of laws might force the manufacturing industries to curb waste and toxic materials. Some manufacturing companies in the West have cut waste generation by half by using fewer toxic chemicals, separating out wastes that can be reused, and substituting alternative raw materials for hazardous substances. To cite an example, Duphar, a large chemical concern in the Netherlands adopted a new manufacturing process that decreased by 95 percent the amount of waste created in making a pesticide.

Recycling is, of course, the best way to reduce waste. Japan now recycles more than 50 percent of its trash, and Western Europe around 30 percent. Shockingly, the US, the largest producer of waste and toxic materials, recycles about 10 percent of its garbage, or 16 million tonnes a year, and only 10 states



Bangladesh continue to build plants without including costly waste disposal systems. In many cases, plants have disposal systems that remain inoperative due to inappropriate technology. Even in the highly industrialised countries there are formidable social obstacles to waste management. Nobody wants incineration or disposal systems in their localities. In the US, 6000 landfills are going to be filled up and shut down, and the US government is negotiating with the Canadian government for having such space on payment fees. "We have a real capacity crunch," said a senior official of the Environment Protection Agency (EPA). Even in West Germany, about 50,000 landfills have been declared potentially dangerous because they may threaten vital groundwater supplies.

The question that looms up in the public mind is how to prevent our environment from wallowing in waste and poisonous materials that we ourselves are producing. Higher fines, taxes, and strict

have mandatory recycling laws. The survey conducted about handling trash in developed countries might give illuminating insights to the government of Bangladesh and DCC. In most developed countries garbage is no longer trash but a treasure. One such device goes by the name Neutralysis, a new disposal system devised by an Australian company for the US, and involves combining solid municipal waste with clay to produce an inert light-weight aggregate, essentially a small ceramic rock that can be used to make light weight concrete.

As revealed by the Neutralysis company, the process has proved to be profitable and efficient and offers environmental benefit. One benefit is that the technology eliminates the need to dump garbage in landfills or burning it. Also, the process of converting garbage into rocks produces excess energy that can be converted into steam and electricity, some of which could be sold to utilities. And in addition to the rocklike material, which the com-

pany experts contend is a very viable substitute for other building materials, the technology produces scrap metal as a by-product.

But as experts point out, even with the most efficient recycling there will still be refuse. Landfills

and incinerators, even if they are spewing harmful emissions will be needed for a well-managed waste disposal system. But where possible, landfills should be fitted with impermeable clay or synthetic liners to contain toxic materials, and with pumps to drain out liquid waste for treatment elsewhere. And DCC, if it has not done and thought about all these measures earlier, must not falter now because every year half a million people are added to the shrinking city now accommodating about 15 million people.

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FINANCE AND MANAGEMENT Emerging roles of CFO

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THE Institute of Cost and Management Accountants of Bangladesh (ICMAB) has recently arranged an International seminar on "Transparency and Accountability and the Accountants" where distinguished personalities from India, Sri Lanka, Malaysia, Pakistan and Bangladesh participated. Governor of Bangladesh Bank Dr. Salehuddin Ahmed was the key note speaker on the conference theme. He emphasized the need for transparent information and reinforcement of accountability on the basis of information which will ultimately lead to a good governed environment.

From the seminar, it transpired that in the wake of the Enron and Worldcom debacles, growing demands for greater corporate accountability and improved governance procedure are remaking today's business.

To regain the public trust in the USA, President George W. Bush signed the Sarbanes-Oxley Act, popularly known as SOX, into a law on July 30, 2002, stating that it included "the most far reaching reforms of American business practices since the time of Franklin D. Roosevelt". The Act has brought significant changes affecting accounting profession with focus on financial practices and corporate governance. CEO and CFO are required to certify that their company's account and other financial statements fairly represent its financial position. While CEO remains a key player in the corporate world, another player is now beginning to assume unprecedented importance: the CFO. They need to play crucial role in ensuring good governance, disclosure and transparency.

The SOX has had a cascading effect throughout the world. Bangladesh Bank took pioneering role by issuing certain directives forming corporate governance rules for banks. Remarkable are Guidelines for Formation of Audit Committee and Corporate Governance guidelines for Banks. In 2006, Securities and Exchange Commission (SEC) issued notification on corporate governance for the listed companies and mentioned one specific role for CFO i.e. to attend the board meetings. But in

neighbouring countries there are additional responsibilities for CEO/CFO under the corporate governance rules. Some of the key elements are as follows:

A certification from CEO/CFO has to be obtained annually declaring that:

a. They have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts as well as the cash flow statements and Directors' Report;

b. These statements do not contain materially untrue statement or omit any material fact nor do they contain statements that might be misleading;

c. These statements together present a true and fair view of the company and are in compliance with the existing accounting standards and / or applicable laws/regulations;

d. They are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have also disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, and they have done or proposed to do to rectify these;

e. They have also disclosed to the auditors as well as the Audit Committee, instances of significant fraud, if any that involve management of employees having significant role in the company's internal control systems; and

f. They have indicated to the auditors, the Audit Committee and in the notes on accounts, whether or not there were significant changes in internal control and / or accounting policies during the year.

Will the changing role conflict with the existing structure of management?

Traditionally, Chief Accountants used to perform several tasks viz preparing accounts, preparing budgets, operational reporting and interpreting, evaluating operating results, preparing income tax returns, establishing internal control procedures to safeguard company's asset. But now the code of corporate governance would make the chief accountant powerful and more responsible. Due to increased governance requirement, there is a transition from Chief Accounts Officer to Chief

Financial Officer (CFO).

Although implementation of BAS/IAS/IFRS and presentation of fair view of financial statements shall remain the primary functions, but to play the new role properly the CFO has to be someone who can deal with shareholders, investors, the Securities and Exchange Commission as well as customers with equal efficiency. CFO needs to be aware of the business strategies, company's financial and technological health. CFOs are viewed as not only drivers of the strategy and business models within an organisation but as conduits to the external world. CFO must understand risk in the system and control the risk. CFO must demonstrate high ethical standard in certifying the financial statements and effectiveness of risk management. This today gives CFO enormous clout in their organisation. This new role may conflict with the present management structure of the banking and financial sector in the country.

Will the changing role lead to redefining the risk management?

The banking sector in Bangladesh is the most structured sector of the economy. Due to the efficient supervision by Bangladesh Bank, the sector has implemented many internationally accepted best management practices. Bangladesh Bank has identified five core risk areas for the banks under its core risk guidelines. These are Credit Risk, Foreign Exchange Risk, Money Laundering Risk, Internal Control and Compliance Risk, Asset and Liability/Balance Sheet risk. In this core risk management, the owner-ship lies with Head of Credit Risk Management, Head of Internal Control and Compliance, Head of Audit, Head of Treasury and Chief Anti Money Laundering Compliance Officer. They directly report to the Managing Director and the Board. CFO has no direct role to play in the process. But, if changed role of CFO to certify the effectiveness of internal control, adopted in Bangladesh, it may require a revisit to risk management and internal control process.

Should CFO be present in the audit committee meeting?

As per the existing terms of reference Audit Committee reviews the internal control and its effectiveness and CFO is not required to be

present in the meeting. As such CFO may remain unaware of potential risks and remedial measures undertaken by the bank. If the need to certify the effectiveness of internal control system by CFO arises in future, the presence of CFO in the Audit Committee Meetings will be a necessity.

Should CFO be present in all the board meetings?

According to the notification dated 20th February 2006 of SEC, CFO is required to be present in Board meeting. This could be to support the Board in establishing good governance. As a result, the CFOs, usually senior corporate executives with the heaviest workload already lying on their shoulder find the agenda further expanded and the resulting pressure tremendous. Well, requirement may vary depending on the type of organization. Almost 80 percent of the agenda of the Board of the banks and financial institutions deal with credit line approval for the borrowers. There are other top management executives who play important role in this approval process. Their presence would be more beneficial than that of CFO.

However, CFO's presence is a must where the financial statements, annual report, capital raising, planning, budget and review of performance vis-à-vis budget, dividend declaration, audit issues, compliance of corporate governance are discussed by the Board.

Conclusion
CFO role has grown beyond stewardship and reporting. They must be an integral part in driving corporate strategy and putting in place processes to support execution. CFO can play the pivotal role in maintaining corporate trust and business integrity by remaining transparent, responsible and accountable for ensuring the principle of good corporate governance. With the world becoming a global village, investments in emerging markets is growing. Bangladesh also welcomes foreign direct investment. Investors want to be sure that not only their capital is handled efficiently and creates wealth but business decisions are also not involve any moral turpitude/hazards. This requires taking a greater responsibility by the CFO.

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