



in pursuit of excellence

Annual Report 2017



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN



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Chartered Accountants
of Pakistan

CA
PAKISTAN

in pursuit of excellence

As another epic year ends, echoing challenges to the profession, the economy, society and governance, The Institute of Chartered Accountants of Pakistan (ICAP) continues its journey in pursuit of excellence. The Institute is committed to providing enabling environment to its members and students and focused on strengthening performance. Be it education, training, ethics, quality assurance, strengthening regulations, global outreach, stakeholders trust or capacity building – ICAP doesn't settle below striving for the best in everything it does. Still a long way to go, but ICAP is on the road to excellence...





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The background of the entire page is a dark navy blue. It is decorated with two prominent diagonal stripes: a wide, textured gold stripe in the upper half and a thinner, smooth gold stripe in the lower half. Scattered throughout the background are numerous small, curved pieces of gold confetti, giving it a celebratory or high-quality feel.

vision

The profession of Chartered Accountants in Pakistan is the hallmark of professional excellence, upholding the principles of integrity, transparency and accountability.

mission

To achieve excellence in professional competence and value to business and economy, safeguard public interest, ensure ethical practices and contribute to good corporate governance while recognising the needs of globalisation.

core values

professional excellence

ICAP sets forth and enforces the highest standards of qualification, education, training, professional development, service quality and ethical practices. It is committed to promoting the profession in the best public interest.

relevance

ICAP attaches highest priority to its community including members, students, firms and its other stakeholders. It enables community members to form networks of knowledge to keep them informed and help them access efficiently the development opportunities and services offered by ICAP, and also to contribute to the interests of economy and society. ICAP is committed to developing products and services that are relevant for its members, students and society as a whole.

impact

ICAP responds to its stakeholders' needs and especially encourages and facilitates the development of ongoing professional competencies of its members and students. It operates in a financially sustainable manner, fully mindful of the organisation's social and environmental impact on the community.

delivery

ICAP monitors, measures and assesses its operational environment and takes steps to address the challenges and avail the opportunities to maintain its role as a leader in the accounting profession.

ethical standards

ICAP promotes professional excellence through developing, monitoring and enforcing the highest standards of competence and ethical conduct. ICAP's objective is that its logo and brand always remain the hallmark of trust, reliability and integrity.



governance structure

The Institute of Chartered Accountants of Pakistan (ICAP) was established as a statutory body on July 1, 1961 under the Chartered Accountants Ordinance, 1961 (CAO) to regulate the profession of accountancy in Pakistan. The Institute operates under the provisions of CAO and CA Bye-laws 1983.

The governance of the Institute vests with the Council comprising of nineteen members. Fifteen members are elected from amongst the members for a period of four years. The remaining four are nominated by the federal government of Pakistan. The Council has overall responsibility for monitoring the development and implementation of ICAP's strategy, planning, budgeting and policies. The composition of the Council is as follows:

Composition of the Council	Members
Southern Region - Zone A	8
Southern Region - Zone B	1
Northern Region - Zone A	5
Northern Region - Zone B	1
Government Nominees	4
Total	19

The Council is supported by various standing and other committees to accomplish its objectives. In performing its functions, the Council is also supported by a management team headed by the secretary.



council of the institute

President

Nadeem Yousuf Adil, FCA

Vice Presidents

Khalilullah Shaikh, FCA - South

Nazir Ahmad Chaudhri, FCA - North

Members

Farrukh Rehman, FCA

Hafiz Mohammad Yousaf, FCA

Hidayat Ali, FCA

M. Sharif Tabani, FCA

Mohammad Maqbool, FCA

Naeem Akhtar Sheikh, FCA

Rashid Ibrahim, FCA

Riaz A. Rehman Chamdia, FCA

Sarmad Ahmad Khan, FCA

Syed Najmul Hussain, FCA

Usman Ghani Akbani, FCA (expired on June 20, 2017)

Yacoob Suttar, FCA

Mohammad Abdullah Yusuf, FCA

Dr. Waqar Masood Khan

Chairman Federal Board of Revenue (FBR): (government nominee)

Chairman Securities & Exchange Commission of Pakistan (SECP): (government nominee)



Front Row (L to R): Hafiz Mohammad Yousaf, Naeem Akhtar Sheikh, Rashid Ibrahim, Syed Najmul Hussain, Khalilullah Shaikh, Nadeem Yousuf Adil, Nazir Ahmad Chaudhri, Mohammad Abdullah Yusuf, Dr. Waqar Masood Khan, Mohammad Maqbool and M. Sharif Tabani. Back Row (L to R): Yacoob Suttar, Hidayat Ali, Farrukh Rehman, Sarmad Ahmad Khan, Riaz A. Rehman Chamdia, Usman Ghani Akbani and Muhammad Zafar-Ul-Haq Hijazi.



committees of the council

standing committees

- Executive Committee
- Examination Committee
- Investigation Committee

technical committees

- Auditing Standards Committee
- Committee on Accounting Standards for Interest Free Modes of Financing and Investment
- Committee on Taxation
- Economic Advisory Committee
- Financial Sector Committee
- Public Sector Committee
- Technical Advisory Committee

independent boards

- Accounting Standards Board
- Quality Assurance Board

other committees

- Audit Committee
- Chartered Accountants Women's Committee
- Continuing Professional Development Committee
- Education and Training Committee
- Human Resource Committee
- ICAP Benevolent Fund Management Committee
- Information Technology Committee
- Members Affairs Committee
- Overseas Coordination Committee
- Professional Accountants in Business Committee
- Publications Committee
- Small and Medium sized Practices Committee

In addition to the above committees, there are Coordination Committees of ICAP with Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP).

regional committees

southern regional committee

Chairman

Abdul Rab, FCA

Honorary Secretary

Syed Muhammad Adnan Rizvi, FCA

CPD Convener

Mohammad Zulfikar Akhtar, FCA

Coordinator for CASA Activities/Library

Arslan Khalid, FCA

Muhammad Junaid Shekha, FCA

CPD/CASA Coordinator

Syed Asmat Ullah Shakerzai, ACA

northern regional committee

Chairman

Sajjad Hussain Gill, FCA

Honorary Secretary

Muhammad Ali Latif, FCA

Chairman CASA North

Asad Feroze, FCA

Members

Kamran Iqbal Butt, FCA

Rafqat Hussain, FCA

Saifullah, FCA

audit committee

Chairman

Rashid Rahman Mir, FCA

Members

Aftab Ahmad Khan, FCA

Farrukh Rehman, FCA

Mohammad Maqbool, FCA

Rana Ahmed Humayun, FCA

quality assurance board

Chairman

Zahid Iqbal Bhatti (July 1, 2017)

Sohail Hasan, FCA (November 5, 2015 - April 30, 2017)

Members

ICAP Nominees

Ayaz Ahmed, FCA

Mohammad Almas, FCA

Syed Ahmed Abid, FCA

Zulfikar Ali Causer, FCA

SECP Nominees

Ali Azeem Ikram, FCA

Etrat H. Rizvi

Muhammad Luqman, FCA

Teizoon Kisat, FCA

SBP Nominee

Amer Aziz, FCA

KSE Nominee

Ahmed Ali Mitha, FCA

external auditors

Qasim Ebrahim Causer, FCA

Syed Aftab Hameed, FCA

banks

Al Baraka Bank

Bank Al Habib Limited

Faysal Bank Limited

Habib Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

United Bank Limited

legal advisors

Bawaney & Partners

Mansoor Ahmad Khan
& Co.

tax advisors

KPMG Taseer Hadi & Co.

Shekha & Mufti



management of the institute

Chief Operating Officer & Secretary

Abdul Malik, FCA

Executive Director Examinations

Syed Masood Akhtar, FCA

Executive Director Legal & Membership Affairs

Farzana Munaf, FCA

Executive Director Operations-North

Razi Khan, FCA

Executive Director Education & Training

Tariq Kaleem

Senior Director Education & Training

Omair Jamal, FCA

Director Examinations

Irfan Ghaziani, FCA

Director Corporate, Legal & Membership Affairs

Muhammad Irfan Azam, FCA

Director Quality Assurance

Shahid Hussain, FCA

Director Technical Services

Sohail Akram, FCA

Director Marketing & Communication

Badia Raza

Director IT

Alay Raza

Chief Financial Officer

Shehzad Farooq Patel, ACA

Head of Internal Audit

Tahera Arshad, FCA

Head of Publications

Samina Iqbal

Head of HR & Administration

Shahma Zahid



Front Row (L to R) : Tahera Arshad, Samina Iqbal, Syed Masood Akhtar, Abdul Malik, Tariq Kaleem, Mohammad Faheemuddin Siddiqui, Farzana Munaf, Shahma Zahid and Badia Raza. Back Row (L to R) : Razi Khan, Irfan Ghaziani, Muhammad Irfan Azam, Omair Jamal, Shehzad Farooq Patel, Sohail Akram, Salman Abbasi and Alay Raza.



governance statement

ICAP's Approach to Governance

The Institute of Chartered Accountants of Pakistan (ICAP), a self-governing, autonomous body, was formed under the Chartered Accountants Ordinance, 1961 (CAO) for the purpose of regulating the accountancy profession. It operates under the provisions of the CAO and the Chartered Accountants Bye-laws, 1983 (Bye-laws). The provisions relating to the governance of the Institute are primarily contained in the said Ordinance and Bye-laws and cover detailed arrangements in relation to the scope of activities of the Institute, powers, duties and elections of the Council and regional committees, roles and responsibilities of the president and the secretary and matters relating to members of the Institute, accounts, meetings of the Council and other committees.

Commitment to Good Governance

The Institute is committed to encouraging good corporate governance and has played a key role in formulating the Code of Corporate Governance (CCG) issued by the Securities & Exchange Commission of Pakistan (SECP). The Institute requires its members to act with the highest ethical standards in accordance with its code of ethics. The Institute, being a regulatory body, is not required to mandatorily comply with the provisions of CCG which are applicable to listed and public sector entities. Irrespective of the legal provisions, in order to ensure the implementation of best practices in its own operations, the Council voluntarily decided to adopt the requirements of the Public Sector Companies (Corporate Governance) Rules 2013 (herein after referred to as 'the Code'). The Institute recognises that some parts of the Code may not relate precisely to the governance of a professional body. Accordingly, it complies with such provisions of the Code that specifically relate to its business and operations. In order to achieve this aim, the Institute has established various committees, policies, procedures, guidelines and processes.

Council

The governance of the Institute vests with the Council under the provisions of CAO and Bye-laws. The Council having a four year term, comprises of 19 members, four members nominated by the Federal government and 15 members elected from its two regions, North and South. The former comprises the capital and provinces of Khyber Pakhtunkhwa and Punjab while the latter, the provinces of Sindh and Baluchistan.

The Council provides strategic direction to the Institute, deliberates on policies both short and long terms, reviews and approves operational plans and budgets, besides formulating policies on education, training and examination of students and membership of the Institute. The Council also approves the examination results, and decides the disciplinary cases referred to it by the Investigation Committee. The Council has developed significant policies along with vision and mission statements to enable the Institute to carry out its function economically, effectively and efficiently. It has also established appropriate arrangements to ensure that it has access to all relevant information, advice and necessary resources to enable it to carry out its role effectively. In order to formalise and strengthen the Institute's decision making process, all issues of significance are placed before the Council either by the respective committees or the management for its information, consideration and decision.

The Council recognises that good governance is a pre-requisite for the effective and efficient functioning of the Institute. Accordingly, it has set clear outcomes and performance expectations for itself, its committees and the management of the Institute. The Council members do not receive any remuneration, but are reimbursed for travel and subsistence costs incurred for the purposes of the Institute's business in accordance with defined policy.

Code of Conduct and Conflict of Interest Policy for Council and Committee Members

The Council of the Institute has prepared a Code of Conduct along with its supporting policies and procedures, which have been circulated to all Council and committees' members and also placed on the Institute's website http://www.icap.org.pk/wp-content/uploads/meb_dept/Gmcc.pdf. The Code requires the Council and committees' members to act with utmost integrity and transparency, and covers areas such as the requirement to act in good faith, with due care and diligence, free of conflict of interest, proper use of authority and confidentiality of information.

Conflict of interest policy lays down the circumstances or considerations when a person may have actual or potential conflict of interest, and provides the procedure for disclosing such interests. Each Council member has to declare interests (if any) which might lead to conflict and is required to update the declaration at least annually by signing Annual



governance statement

Declaration. Such interests may include, but not limited to, membership of formal bodies or groups, partnerships, directorships or beneficial interests in companies, professional or social relationships with individuals or companies who have business dealings with the Institute. The members of the Council are also asked to identify and declare any potential conflict of interest in any of the agenda item at each meeting. The member declaring such a conflict abstain from participation in the discussions, deliberations and decision relating to that matter. The policy has also been extended to be followed by the members of Standing and all other committees.

Orientation Course for Council Members

The secretary of the Institute provides an orientation to the Council members at the start of their four year-term to apprise them of the material developments and information as specified in the Code.

Meetings of the Council

The Council meets at least once every quarter and written notices of the meetings are circulated to the Council members not less than fourteen days before the meeting. The agenda and working papers are generally made available at least seven days before the meeting. The draft minutes of the meetings are recorded and circulated within fourteen working days after the Council meeting. All meetings of the Council are presided by the president and in his absence by one of the vice presidents. **(Please see Annexure A: Council Attendance on page 57)**

Committees of the Council

While the Council has the ultimate responsibility for the control and management of the Institute, in order to streamline the process, it has delegated certain powers and duties to its committees. These committees, including standing committees comprises members of the Council, other members of the Institute outside the Council from practice and from industry, non-member specialists and senior management personnel. Term of reference (ToR) of each committee has been approved by the Council and committees are required to operate within their respective ToRs. The existence of these committees does not absolve the Council from its collective responsibilities in all matters relating to the Institute. The Council has established the following committees:

Standing Committee

1. Executive Committee

This Committee comprises the president, vice presidents and not less than three Council members. The Committee is chaired by the president and is responsible for identifying the key risks relating to the Institute in meeting its strategic plans, and undertake measures necessary to mitigate those risks. It is also responsible for the development of annual and long-term plans and review of the annual and quarterly performance and financial statements of the Institute.

1.1 Human Resources Committee

This Committee is a sub-committee of the Executive Committee and assists in the establishment of appropriate human resource policies and strategies that provides the Institute with the capability to achieve its short and long term objectives. The HR Committee deals with recruitment and training for senior management, remuneration, performance evaluation, succession planning and measures for effective utilisation of the human capital of the Institute.

1.2 IT Committee

The main task of the IT Committee is to ensure that the strategic objectives of the IT department are aligned with the overall strategic vision of the Institute and that all the developments in IT are relevant from a business perspective. The committee reviews progress on major IT projects and suggests means to overcome any impediments in the progress. It provides guidance to the IT department in matters related to the IT strategy implementation and governance.

2. Examination Committee

The Committee deals with all policies related to the conduct of examinations including but not restricted to, the dates of submission of examination fee and examination forms, dates and mode of declaration of result, appointment of invigilation staff and examiners, define code of conduct for the students, staff of examination department, moderators, subject specialists, paper setters, markers and invigilators, use of study material during examinations (if any), etc. The Committee is also responsible to take all necessary steps to improve the policies and procedures in accordance with international best practices and to make the system transparent and efficient. It also gives advises to the Council and Education & Training Committee on policy matters related to examination curriculum, method of examinations, etc.



governance statement

3. Investigation Committee

The Investigation Committee comprises six Council members including the president, three independent members, and a retired High Court judge. This Committee conducts inquiry on matters of professional misconduct by the members and students of the Institute. The Committee is mainly responsible for determining the facts of the cases referred to it. The final decision on the alleged misconduct rests with the Council.

Audit Committee

The Council is cognisant of the importance of a robust system of internal controls and in order to assist it in ensuring continued efficacy of its systems and procedures, it has established an independent Audit Committee. This Committee comprises two Council members and three independent members including the chairman who should be the past president of the Institute. The sitting president and vice presidents of the Institute are not part of Audit Committee.

The Committee is responsible for reviewing and evaluating the integrity of financial statements, risk management and internal controls systems, compliance with legal and regulatory requirements including Council Directives and IFAC SMOs requirements, the performance, qualifications and independence of External Auditors, and the performance and effectiveness of the Internal Audit Function.

It recommends to the Council the appointment of External Auditors, audit fees and provision by External Auditors of any service to the Institute in addition to audit of its financial statements.

The Committee also monitors the effectiveness of the Whistle Blowing Policy of the Institute on a regular basis.

Besides head of Internal Audit, who also acts as the secretary to the Audit Committee, the secretary, chief financial officer and the External Auditors also attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed. The External Auditors meet with the Audit Committee once each year without the presence of the Institute's management. Further, at least once a year, the Audit Committee meets with the head of Internal Audit and other members of the Internal Audit function without the presence of the Institute's executives.

Advisory Committees

These committees provide advice to the Council and undertake specific tasks as delegated by the Council from time to time, e.g. Education & Training Committee, Economic Advisory Committee, Taxation Committee, CPD Committee, etc.

Technical Committees

Auditing Standards Committee
Committee on Accounting Standards for Interest Free Modes of Financing and Investment
Committee on Taxation
Economic Advisory Committee
Financial Sector Committee
Public Sector Committee
Technical Advisory Committee

Members' Services

Members Affairs Committee: This committee was constituted by the Council during 2016 with the objective to create a forum responsible for overseeing the development and implementation of policies, actions and the operational plan in the area of Institute's member services.

Boards

The Council has constituted two broad based Boards:
Quality Assurance Board
Accounting Standard Board

Quality Assurance Board: The Quality Assurance Board formed by the Institute to independently undertake the implementation and oversight of the framework of the QCR Program 2015. Majority of its members are nominees of SECP, SBP and Pakistan Stock Exchange. Out of eleven members, five including Chairman are council nominees. The Chairman is nominated after consultation with SECP.

Accounting Standard Board: This board was established with a view to further strengthen financial reporting in Pakistan. It includes fifteen representatives from the Council, Securities & Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), Pakistan Stock Exchange (PSX), Auditor General of Pakistan (AGP), Higher Education Commission (HEC), and other stakeholders. **(Please see Annexure B: Lists of Committee Attendance on page 58.)**

Regional Committees

The members of the Institute in addition to electing 15 members of the Council also elect five members



governance statement

for each of its two Regional Committees (RCs) for a four-year term running concurrently with that of the Council. The RCs operate under the directives and supervision of the Council.

These RCs present their reports separately to the members in their respective regions and also hold general meetings of members independent of the Council. However, brief reports of their activities are included in this report, besides the names of the RC members and attendance at RC meetings.

The Office Bearers

The president and the two vice presidents are the office bearers and exercise powers and perform duties as provided in CAO and Bye-laws as delegated by the Council or entrusted by the standing committees from time to time. The office bearers play a role of oversight of the management and ensure that the views of the Council and the wider membership within the Institute are taken into account in helping the Council in the development of the Institute's strategy, policies and procedures.

President and Vice Presidents

The president is elected by the Council. The president is the chief executive authority of the Council and presides over the Council meetings and assists the Council in setting the strategic direction of the Institute. The Council also elects two vice presidents, one from each region. Generally, the president and the vice presidents serve one-year term, which may extend up to three years.

Secretary

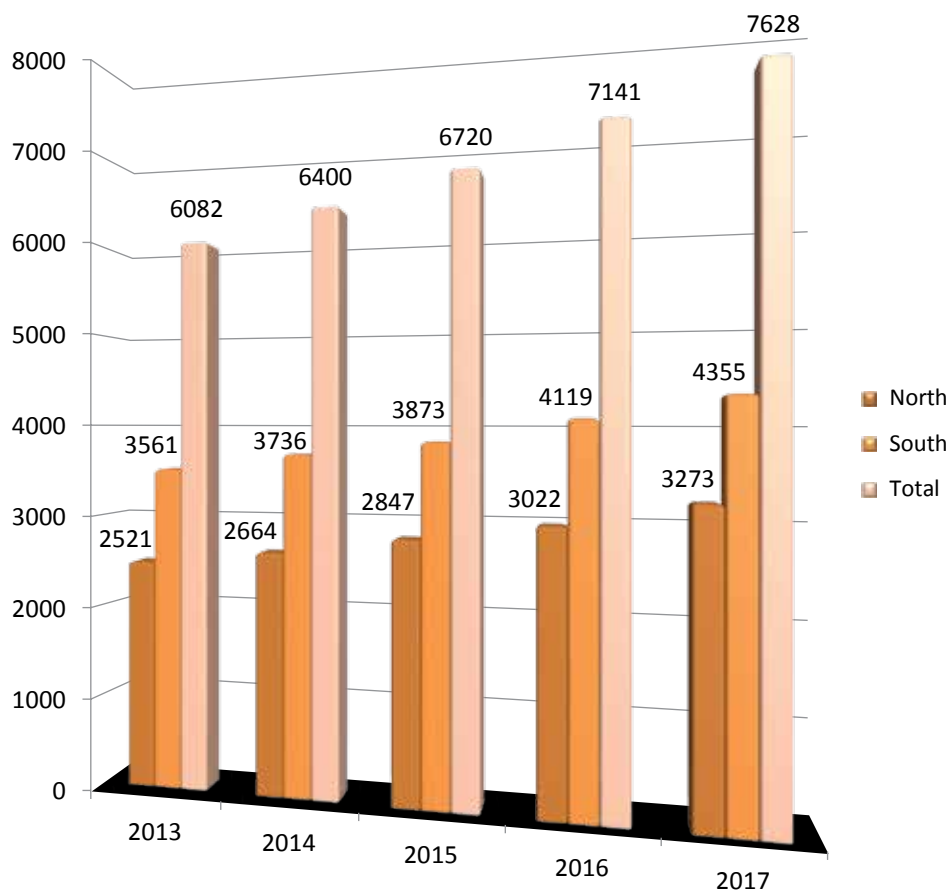
The secretary is the administrative head of the Institute and functions under the supervision of the president and the Council. The secretary is responsible for overall management of the Institute and is expected to run the Institute as the COO. His responsibilities include implementation of strategies and policies approved by the Council, working with executive directors and staff in support of the Institute's strategy, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory and other legal obligations.



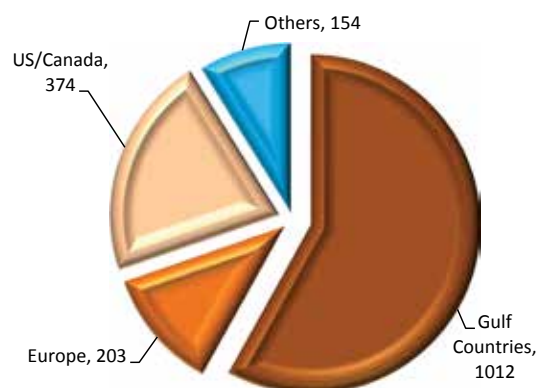
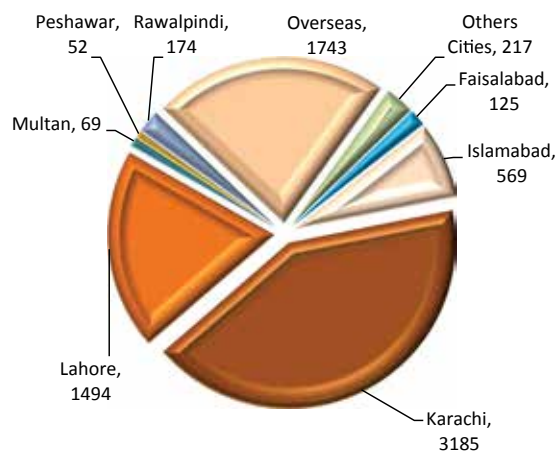
2017 highlights

membership

members' data region-wise



geographical spread





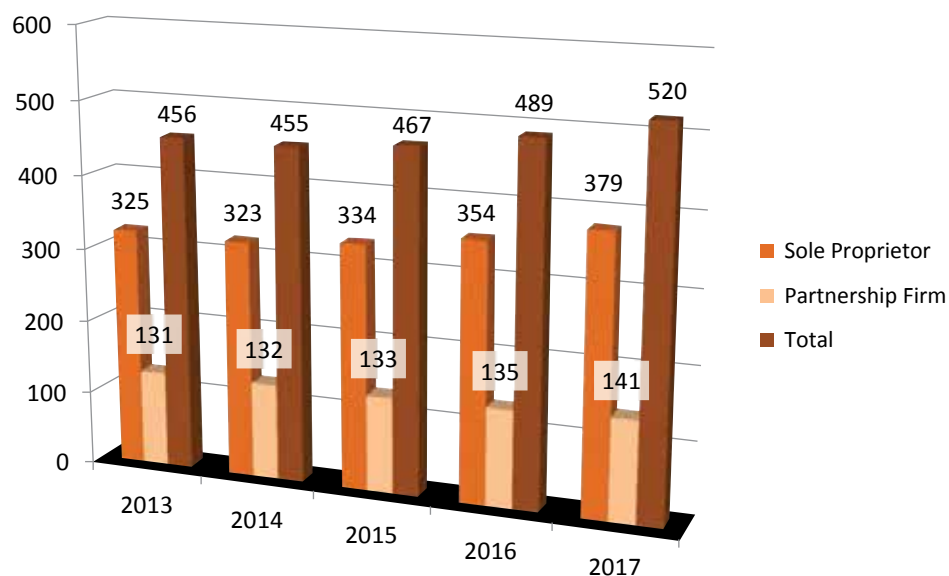
job sector information of members

June 30, 2017			
	associates	fellows	total
Pakistan			
Public Practice	158	654	812
Employed in Practice	974	72	1046
Automotive	38	11	49
Cement/Ceramics/Glass Ceramics	33	24	57
Chemicals/Paints	27	21	48
Commerce and Industry	170	86	256
Construction	37	15	52
Consumer Goods	61	17	78
Education	78	54	132
Electronics	20	12	32
Engineering	32	35	67
Fertilizer/Agriculture	44	26	70
Financial Institutions/Banks	304	194	498
Financial/Management Consulting	31	18	49
Food, Beverages/Hotel, Travel and Tourism	92	41	133
Government	33	27	60
Healthcare and Pharmaceutical	93	56	149
Information Technology	31	11	42
NGOs/Social Services	31	16	47

June 30, 2017			
	associates	fellows	total
Pakistan			
Oil and Gas	102	102	204
Power Generation and Distribution	81	41	122
Shipping & Marine	16	7	23
Sugar and Allied	12	18	30
Telecommunication	85	58	143
Textile/Fashion and Apparels	128	69	197
Transport/Logistics/Courier Services	25	12	37
Other Sectors	763	408	1171
Senior Members	11	270	281
Sub Total	3510	2375	5885

June 30, 2017			
	associates	fellows	total
Outside Pakistan			
Public Practice	4	19	23
Other than Public Practice	943	718	1661
Senior Members	2	57	59
Sub Total	949	794	1743
Total	4459	3169	7628

Firms Data







president's review

I am pleased to present to you the Annual Report of the Institute for the year ended June 30, 2017.

It has been four years since election of the current Council of the Institute. Your Council has been focused towards the goals and objectives it had set for its four year term while taking charge in September 2013, which were shared with you in the Annual Report for the year 2014 as the Strategic Plan 2013-17. These inter alia included implementation of education and examination reforms 2013, improving the governance within ICAP, extending ICAP geographical coverage, enhancing public trust in audit, work with the government in public interest and building international collaborations to name a few.

Our focus during the year was on timely and proper implementation of the Strategic Plan and ensuring all round success of our profession and securing stakeholders' satisfaction. To all of us, the two letters CA signify the symbol of trust and require all of us to discharge our duties with utmost care and caution as society considers our profession as that of conscience keepers.

Another area of strategic priority was our members, whether they are in practice, in industry or in government. Bringing in best HR practices in the Institute was another agenda for me.

All these initiatives needed a collective pursuit of continuous improvement and excellence. This pursuit will further strengthen the sense of togetherness. Before I touch upon certain specific points, let me remind you that the business world is passing through a phase of rapid changes and challenges, and we all need to advance towards professional transformation as fast as we can.

I am pleased to share with you the significant achievements made during the year and new initiatives taken in line with the Strategic Objectives set in 2013.

Good Governance

The Institute realises the importance of values and ethics being critical attributes for a professional

accountant. It upholds excellence in core competencies of the profession adding value to the businesses and economy, safeguarding public interest, and aiding corporate governance in line with the international best practices. I believe that our strategy will prove to be immensely useful for the members and stakeholders.

During the process of hiring of the secretary, it was thoroughly debated once again that **the Council has to work as a policy making forum and we need to strengthen the secretariat to implement the policy and initiatives of the Council.** I am glad to inform you that the position of chief operating officer and secretary is filled by Abdul Malik, who is a fellow member of ICAP with more than 25 years of local and international experience of working at senior management positions with multinational, public sector and private organisations including more than 15 years in strategic C-level positions. My hopes are high with him and I wish him great success in the years to come.

As part of our ongoing efforts to strengthen the Institute, your Council hired executive director Operations-North, executive director and deputy director Education & Training, director Technical Services and director Information Technology. Further reforms in organisation structure are also in the pipeline.

Amendments in CA Ordinance and CA Bye-laws

During the year, the Council deliberated in detail the proposed amendments to be made in the Chartered Accountants Ordinance (CAO) in its several meetings and in this regard, a number of sessions were also held with the legal advisor. After detailed review, the revised draft of the CA Ordinance was also circulated to the membership for their comments, followed by consultative sessions which were held in Karachi, Lahore and Islamabad. After taking into account the valuable feedback of the general membership, the Council finalised the revised draft of the Ordinance which was then submitted to SECP for placement of the bill on the agenda of the Parliament.



president's review

The Council also discussed the amendments in the CA Bye-laws, 1983 for introducing **reforms in the election process of the Institute**. In this respect, the recommendations of the Election Committee were deliberated at length and a comprehensive set of amendments in the Election Bye-laws were submitted to the Securities & Exchange Commission of Pakistan (SECP) and the Ministry of Law for regulatory approvals.

Education, Training & Examination

The accountancy profession has grown diverse and the domain of the accountancy professionals has increased, spreading the profession's identity within and beyond the national boundaries.

As you may be aware, our next generation of chartered accountants needs to be well prepared as complete business solution providers. As such, our focus remained on embedding new developments in Education & Training, and I firmly believe that these initiatives will have positive impact on the profession and will prepare more competent, better equipped and more responsible generation of chartered accountants.

The key areas of focus for the Council were the launch and implementation of **Registered Accounting School System (RASS) Scheme** with the objective of attracting quality students with well-rounded soft skills. We have recently signed an MoU with the Beaconhouse Group - Concordia College to induct them as the first institution under the RASS Scheme which will cover 10 cities in Punjab in the next three years.

Re-organisation of Education & Training department was undertaken to allow us to focus on the training aspect and keep in touch with the training firms and employers. With this perspective two new positions were created in Education & Training.

The scheme for training outside practice was introduced with the objective of providing more options to young aspiring chartered accountants who are currently facing challenges in securing trainings with professional firms. Besides, with the Council decision of graduate entry program more training

offices were required. I am pleased to report that 15 well-reputed organisations have registered and some of them have already started recruiting CA trainees.

Furthermore, the revised Education Scheme launched in 2013 included the concept of case-based multi-dimensional assessments named **Multi-subject Assessments (MSA)** which are expected to serve as an innovative assessment tool. These assessments, which were launched from Summer 2017 examinations, integrate knowledge and analytical skills of different subjects learned at earlier stages of Chartered Accountancy qualification. The Institute put together internal and external resources to develop appropriate capacity and expertise within the Institute to offer these new exams on sustainable basis. In this regard, hands-on training of examiners and staff of the Institute, on paper setting and marking of such exams was conducted by subject experts from UK.

Professional Accounting Affiliate Scheme: The Council launched Professional Accounting Affiliate Scheme that recognises the students who have completed the required practical training and passed a significant part of advanced stage of CA qualification. The applicants who have completed the eligibility criteria are granted the status of Professional Accounting Affiliate and are allowed to designate themselves as Professional Accounting Affiliate or Affiliate. The scheme seeks to open up employment opportunities for our advanced level students in mid-level management which otherwise was restricted without a formal recognition.

E-Marking of Answer Scripts: In order to enhance consistency, security and efficiency of marking of students' answer scripts, a non-live pilot project of e-marking was initiated and successfully completed in May 2017. At present, the Institute is evaluating the results of pilot project and expects to implement it with effect from March 2018.

Appointment of Subject Specialists: The integrity of our examination system has never been a point of issue with any of the stakeholders. However, we were cognisant of the concerns about the consistency of our examination paper setting process. To address such concerns, various initiatives were taken with



president's review

key among those being the appointment of subject specialists. These resources having specialist knowledge and vast teaching experience will work with our Examination department to bring required consistency in the paper setting.

Subject specialist for one core subject group (i.e. Accounting group) has been appointed and is on board. Interest have been invited from eligible candidates for the second group.

Setting Strategic Goals for Qualification: The Council deliberated a detailed study of landscape of accounting profession in Pakistan. The deliberations included the analysis of students' market, employer market, training opportunities of students of accounting profession, key activities of major local and international accounting professional bodies and higher education institutes awarding degrees in business related studies. The Council concluded that the Institute, being the national body created under the law, has great legal and moral responsibilities towards accounting and finance profession. As a result, of deliberations the following were made part of active agenda of the Institute:

- Review of education delivery system in order to strengthen the existing education delivery channel, introducing new avenues, like, Registered Accounting School System (RASS) and integrating CA qualification with degree programs. The review would consider all aspects of education delivery including regulated classes in RAETs and RASS, degree convergence programs, integrated degree programs in partner universities.
- Review of existing level and nature of relationship with other accountancy bodies with an aim to fulfill the legal and leadership responsibility given to the Institute under the CA Ordinance.
- Review of existing framework of recognition and exemptions to transform it into a facilitator and enabler for good quality candidates coming from varying backgrounds such as higher school, four year degree programs, professional qualifications and midstream career shifts.

ICAP Mentorship Program: I am pleased to share that ICAP has launched Mentorship Program to facilitate our members in their professional development and

help them realise their full potential by pursuing right strategies with right toolset, skillset and mindset. Under this program, we have selected 20 mentors from Karachi and Lahore and our mentors' pool comprises senior experienced professionals from industry, practice and academia.

Investigation

Your Council believes that our commitment as a regulator should transcend the borders of legal and regulatory frameworks and stretch to being good in as many ways as it can. To improve the regulatory regime, setting standards on professional ethics, auditing and assurance, the Institute continues to shoulder important regulatory responsibilities for all of its members. In this regard, I wish to apprise our stakeholders that for better compliance of the statutory obligations, appropriate amendments in the CA Ordinance are being made to reduce the time for completing the investigation process; sub-committees have been formed for completion of investigation process before it is brought to the Investigation Committee. To ensure the fairness of disciplinary process, an appellate authority is also proposed to be established in proposed CA Ordinance/ Act. Until then, Investigation Committee has streamlined some of its processes to make them more efficient, for instance, to expedite the disposal of cases, the sub-committee recommendations are processed through circular resolutions for approval by the Investigation Committee.

The second annual report of the Investigation Committee for the period from January to December 31, 2016 was also circulated to members.

Membership Affairs Committee

The Council has reactivated the Membership Affairs Committee. The main idea behind this committee is to create a forum responsible for overseeing the development and implementation of policies, actions and the operational plan in the area of Institute's member services.

Audit Oversight Board

The most significant development the audit profession witnessed during this period was the establishment of



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Audit Oversight Board (AOB). Both the Institute and the Securities & Exchange Commission of Pakistan (SECP) jointly felt the need and after detailed deliberation with the stakeholders, the AOB was established through amendments to the SECP Act, 1997.

During the year under review the AOB was given a detailed presentation on Framework of QCR Program 2015. Recently the Institute has received a draft Audit Oversight Board (Operations) Regulations, 2017 from AOB for comments which is under discussion of the Committee constituted by the Council.

Accounting Standards Board

I am happy to inform you that an Accounting Standards Board (ASB) was constituted by ICAP in March 2017 and to date held four meetings. The aim behind ASB is to further strengthen financial reporting in Pakistan. It includes representatives from the Council, Securities & Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), Pakistan Stock Exchange (PSX), Auditor General of Pakistan (AGP), Higher Education Commission (HEC), and other stakeholders.

Quality Assurance & Improvement Program

The Council deliberated on the Practice Review Framework revised after considering the members' comments. It was decided that the focus should be on improving the quality of practice of the profession and hence rename the framework as Quality Assurance & Improvement Program. The draft has been circulated to the membership for comments.

Small and Medium sized Practices

SMPs have a crucial role to play in contributing to the health of the economy. The SMP Committee held workshops in four cities to highlight and openly discuss the challenges, issues and opportunities for SMP firms.

Technical Web Help: To further facilitate our members, especially the Small and Medium Practices (SMPs), the Institute has approved a web-based service whereby members can send their technical queries pertaining to financial reporting, audit and ethics related matters. Technical Services department will respond to such queries within five working days of the enquiry date or

the date by which further clarification is provided by the enquirer. Such service will be offered with certain caveats.

Our expectation from SMP is that they need to pool up their resources for training of their trainees to attract talent and also to be able to offer capability to the prospective clients.

In order to enhance the capacity of SMP, two e-audit softwares were shared with SMPs in the recent past. However, members' response was not encouraging. Subsequently, SMP Committee issued a survey for seeking interest of SMPs for acquiring audit software and collected data of interested firms. Currently, SMP Committee is in correspondence with a couple of vendors who have provided e-audit softwares to few firms internationally so that a workable solution could be found for SMPs.

Recently the Council approved the recommendation of SMP Committee to organise training sessions for trainee students of SMPs. There would be three levels of trainings. The first level would cover basics of Corporate Law, Taxation, Standards, Ethics and core values. This training would be provided within six months of students' induction in the firm. In the second level, students having training period up to one and a half years would be provided training on updates of Accounting and Auditing Standards, Tax and Corporate Laws. The third level would cover training on new Standards, interpretations and complex issues covering practical aspects.

The duration of training of each level would be two days and will be conducted over the weekends. In order to have effective training, services of professional teachers (who are members) from RAETs would be sought.

Budget Proposals

In line with our practice, the Institute has done a detailed analysis of proposals on all taxation aspects and submitted the Budget Proposals to the government and Federal Board of Revenue (FBR). Pre and Post Budget seminars were also conducted by the regional committees with the aim to share and involve members



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in discussion and take recommendations or issues faced by the membership with representatives of FBR.

Best Corporate Report Awards for Excellence in Financial Reporting

To inspire and recognise excellence in preparation and presentation of financial information, ICAP organises a dedicated event every year to identify, honour and appreciate the businesses by distributing awards under various professional categories. The ceremony for best Corporate Report Awards 2015 for excellence in financial reporting was held in October 2016 in Karachi.

CA Women's Committee

I am pleased to share with you that ICAP has constituted a working committee for female chartered accountants – Chartered Accountants Women's Committee (CAWC) – which will work towards mentoring females to pursue CA profession and enabling female CAs to transcend the barriers and break the glass ceiling. CAWC members have planned various initiatives for the year 2017 and beyond and made various subcommittees to ensure that all members can add value in the accomplishment of each initiative. One such initiative was the celebration of Women's Day at a national level with the theme: Be Bold for the Change. Two events were organised in Karachi and Lahore. I am happy that the committee is successfully organising its events nationwide. The Committee is planning to organise a Global Leadership Summit in December in Karachi.

International and Global Outreach

The Institute of Chartered Accountants of Pakistan (ICAP) has representation at various international fora. Nominations on International Federation of Accountants (IFAC) committees and International Public Sector Accounting Standards Board (IPSASB) are few examples. On regional basis, the Institute plays its role through its nominees on South Asian Federation of Accountants (SAFA), Confederation of Asian and Pacific Accountants (CAPA) and Asian Oceanian Standard-Setters Group (AOSSG).

ICAP's continued focus to widen arrangements with international accountancy bodies, especially with

bodies in countries where significant number of our members resides.

Chartered Accountants Worldwide: As you are aware the Institute became member of Chartered Accountants Worldwide (CAW) in February 2016. During the year, the Institute continued to play an active role in the CAW activities and used the forum to build connections with the world's leading institutes of chartered accountants. In a recent meeting of CAW, I shared my thoughts on Maintaining Relevance for Small Practitioners. I am pleased to inform that the Institute strongly advocated the need for mutual recognition among the members of CAW and was successful in placing this matter in the strategic plans of CAW.

Organising international conferences like CFO and Public Financial Management (PFM) conferences year after year is another such effort towards spreading the word about competence of our fraternity besides to register our active presence with international stakeholders.

Second Annual ICAP CFO Conference Middle East

2016: The Institute organised its second annual ICAP CFO Conference Middle East in collaboration with the International Federation of Accountants (IFAC) at Atlantis, The Palm, Dubai on September 28, 2016. The conference was attended by more than 600 finance and business professionals from Gulf Cooperation Council (GCC) and Pakistan. The theme of the conference was Embracing Disruption: Governance & Strategy. The second annual ICAP CFO Conference Middle East 2016 was followed by International Federation of Accountants (IFAC) Professional Accountants in Business (PAIB) Committee meeting, hosted by ICAP for two full days, September 29 and 30, 2016 at Atlantis, the Palm, Dubai.

Mutual Recognition Agreements (MRAs) and Memoranda of Understanding (MoUs) have grown in number, both nationally as well as internationally.

Institute of Chartered Accountants in England and Wales (ICAEW) has recently offered full recognition



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on the basis of evaluation of experience. A fresh MoU was signed with Chartered Professional Accountant (CPA) Canada whereby the requirement of passing two capstone examinations in addition to final examination (CFE) were made recommendatory only. We are also making progress on mutual recognition negotiations with Chartered Accountants Australia and New Zealand (CAANZ).

The Institute is actively participating in International Federation of Accountants (IFAC) matters especially relating to Accounting and Auditing Standards Committees. Our present and past Council members Naeem Akhtar Sheikh has been appointed in the Professional Accountancy Organisation Development Committee (PAODC), Khalid Rehman in Compliance Advisory Panel (CAP) and Khalilullah Sheikh in Professional Accountants in Business (PAIB). The Institute has forwarded nominations of Farrukh Rehman and Yacoob Suttar for IFAC Board along with female nominations of Roshan Mehri and Huma Pasha, Riaz A. Rehman Chamdia for International Public Sector Accounting Standards Board (IPSASB), Abdullah Yusuf for International Ethics Standards Board for Accountants (IESBA), Hafiz Mohammad Yousaf for International Auditing and Assurance Standards Board (IAASB), and Muhammad Maqbool for Small and Medium Practices Committee (SMP).

Mohammad Abdullah Yusuf, Rashid Ibrahim and I attended the Institute of Cost and Management Accountants of Pakistan (ICMAP) SAFA Conference 2017 on SAARC Economic Challenges. I represented ICAP as presenter in session Barriers and Bridges to Corporate Governance and Sustainability and as panellist in session SAARC Economic Challenges – Way Forward.

Overseas Chapters: The Overseas Chapter of ICAP members in Kingdom of Saudi Arabia (KSA) organised the fifth annual Saudi-Pak Accountancy Symposium at the Ritz Carlton Hotel in Riyadh on May 17, 2017. The theme of the symposium was Vision 2030: Role of the Finance Profession. ICAP Office Bearers attended the symposium.

At present Overseas Chapters are fully functioning in United Kingdom, Bahrain, Saudi Arabia, UAE and

Canada whereas an interim management committee is in place in Qatar.

The Overseas Chapter of ICAP Members in UK organised the annual gala dinner in London which was attended by the office bearers and Council members.

Overseas Chapters, established to maintain connection with our alumni and to promote CA Pakistan brand in those regions, continue to mature and play their due roles.

Management committees are expected to be formed shortly in USA and Australia. The OCC is also planning to introduce the concept of contact members in countries where there are less than 50 members of ICAP.

The Council has been considering setting up operations in UAE since January 2015. After a number of attempts the Council has finally approved a proposal and also gave its commitments of the budgeted cost of three years operation.

Ground work has been completed and in-principle approval granted by the Council to complete all necessary legal formalities for establishment of office in UAE. Suitable senior members with extensive business connections in UAE are being identified to act as brand ambassadors.

Outreach and Branding

The Institute's plans for promoting and spreading awareness about accountancy in the country have greatly helped the profession in forming a distinct place in academia, and this can be observed in the growing number of recognition of our qualification by various educational institutions.

The Institute has been attracting talented students from across Pakistan without neglecting the underprivileged segments of the society and funding them through ICAP Endowment Fund Program (since 2008) and Edhi-CA Talent Program (since 2013). The Institute has committed to increase its own contribution to these two programs in future. However, considering the increase being targeted in the number of the meritorious and underprivileged students to



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benefit from these two programs, the Institute plans to reach out to the corporate world for their participation and commitment.

Corporate Imaging: During the year, ICAP made great efforts in building the Institute's corporate image. For this purpose, various activities were designed and executed. The prime focus was on establishing industry linkages to promote CA brand. Different PR activities, which include press releases, articles and electronic media coverage of major events were used for building corporate image. Similarly, promotional and congratulation ads were given in leading newspapers to create brand awareness and recognition.

Corporate Connect: As an outreach effort to the corporate world, two events of Corporate Connect were planned, one each in Lahore and Karachi. Lahore Corporate Connect was held in November 2016. It was an exclusive meetup with the leading professionals from the corporate sector. The event was largely attended by leading businessmen, top executives, representatives of public sector and senior CAs in Lahore. ICAP, being the flag bearer of accounting profession in Pakistan, has been promptly responding to the changed environment. Focusing on some major initiatives, such as, improved focus on professional accountants in business and industry, mid-tier certification and industrial training.

This initiative would enable other business graduates already working in industry to join the profession while continuing their jobs. The trainees, once qualified would be highly valuable resource, having relevant knowledge, entity specific skills and effectively contribute in value creation for business and economy.

Preparations for the Phase-II of Corporate Connect in Karachi are underway. Different other corporate connect events took place during the year. The events include meetings with the heads of corporate sector organisations, which include HR heads, CFO, CEOs, etc.

Investment in Infrastructure

You would be pleased to note that in order to have our own premises suited to our brand and needs, a

significant investment was made to acquire a piece of land in Lahore. Plans are being made to further develop the head office in Karachi, besides improving existing facilities in Islamabad. Proposals were also considered for acquisition of facilities in other major cities like Faisalabad and Peshawar.

Driving Innovation through Technology

It has long been acknowledged globally that technology plays an integral part to successfully execute key business initiatives. In this connection, an IT Strategy has been developed based on the best practices and international benchmarks to ensure timely and accurate reporting of business critical performance information.

The implementation of the strategy is facilitating the knowledge sharing and collaboration with all stakeholders across the institution. IT department is actively automating the business processes with focus on accessibility, mobility and risk management. IT department has successfully developed and implemented the ERP application and now working on different initiatives to upgrade it to the state-of-the-art ERP system platform, in support of the Institute's business strategy.

The Institute has introduced Mobile Apps (Android and iOS) for members and students to enable them to access necessary information through a secure login. To provide greater convenience to students and members across Pakistan, the Institute joined hands with Pakistan's first and largest branchless banking service, **EasyPaisha** as well as Telenor Credit Card services for online payments.

In order to expand the young members' horizons, we have successfully launched Mentorship and Professional Accounting Affiliates portals. The Institute has also introduced ERP support, IT service, Performance appraisal and Professional Accounting Affiliates modules.

ICAP is committed to conduct its business in a manner that is lawful and ethically responsible. The Whistle Blowing and Work Place Harassment policies of the



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Institute formalise its commitment of zero tolerance towards any unlawful and unethical activity.

The Audit Committee is responsible for overall monitoring the effectiveness of the Whistle Blowing policy, while day to day responsibility of overseeing the policy and its implementation rests with the Internal Audit department.

For implementation of the Harassment Policy, a committee of the management has been constituted by the Council to receive and deal with complaints in the light of the policy guidelines. Highest level of governance is involved in dealing with any matter that is raised under the policies.

Professional Development

ROSC: The World Bank finalised the report on the Observance of Standards and Codes (ROSC) on Accounting and Auditing in June 2017. The Institute had a key role in assisting the ROSC team in this exercise. The report includes policy recommendations on areas that require further improvements to strengthen the accountancy profession in Pakistan.

MIES: As part of Continuing Professional Development Program, the Institute has been issuing various publications in hard and soft form. The objective has been to create awareness amongst members on important subjects.

The Members' Information and Education Series (MIES) – 29 Brief Memorandum on the Companies Act, 2017 – Financial Reporting and Audit Related Sections was issued in June. It provided a snapshot on the changes in the Companies Act, 2017 relating to the financial reporting and audit related sections along with a comparison of these sections with the relevant sections of the Companies Ordinance, 1984.

IFRS 9 Seminar: IFRS 9 – Financial Instruments is replacing IAS 39 from January 1, 2018, the new IFRS is comprehensive and is simplifying processes. However, it is bringing the challenge of calculating impairment using the Expected Credit Loss Model. An awareness seminar on IFRS 9 was held in December at Karachi.

Further, at the request of State Bank of Pakistan (SBP), a training session for their staff was held at SBP.

Guidance: Guide on Auditor's Responsibilities relating to Going Concern Assumption in an Audit of Financial Statements was issued for the benefit of members and stakeholders which provides a deeper understanding of the role of the management in the assessment and financial reporting of going concern including a comprehensive explanation of auditor responsibilities in performing an evaluation of appropriateness of going concern and audit reporting considerations.

Companies Act, 2017: Since the publication of the draft company law in 2016, the Institute has actively participated in the consultative process with the SECP and other stakeholders, and arranged seminars and meetings with various stakeholders to create awareness and explore and deliberate on the new regulatory regime.

The Institute submitted written comments on the draft Companies Act 2016 and draft Companies Bill 2017 to the SECP and the Senate Standing Committee on Finance, Revenue, Economic Affairs, Statistics and Privatisation. Our comments were considered by the regulator and the law makers and changes were made in the legislation in certain areas.

The Institute advocated SECP's approach in facilitating the implementation of the new company law, especially in relation to the preparation of the financial statements.

Work is being done on obtaining clarification from SECP and issuing guidance on matters like related party transactions - arms' length basis and beneficial ownership.

ICAP Toastmasters Clubs: Strong communication skills can accelerate the professional growth and success. Toastmasters Club is a renowned international source of providing vibrant platform for the development of communication, interpersonal and leadership skills. ICAP currently has four Toastmasters Club operating in Lahore, Islamabad, Faisalabad and Karachi. The Lahore



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club celebrated its 100th meeting and the Karachi club was revived.

National Finance Olympiad: I am happy to inform you that the second National Finance Olympiad (NFO) was also held during the year in collaboration with Unilever Pakistan. NFO is an annual competition designed to engage the professional accountants in industry and firms to contest amongst each other with the aim of discovering the finance champion. The Olympiad while fostering healthy competition, recognises and appreciates finance talent and provides a much needed networking platform for all our members.



Father & son: ICAP's 56th president Nadeem Yousuf Adil with ICAP's 32nd president Muhammad Yousuf Adil.

Elections for New ICAP Council and Regional Committees

The elections for the ICAP Council (16th) and regional committees (northern and southern) were held according to schedule. Members of Karachi, Lahore, Islamabad and Rawalpindi casted their votes through electronic balloting booths located at the offices of ICAP while members eligible for postal ballot were given facility to cast their votes online.. **I must place on record my appreciation for the election committee, IT department and the secretariat without which this process would not have been concluded successfully.** Also, I would like to congratulate all the winners. I am confident that under their able leadership, the Institute would grow from strength to strength.

I would like to express my profound grief on the **sad demise of our members and our senior Council member Usman Ghani Akbani.** Usman sahib contributed immensely to ICAP's affairs and has been a source of inspiration for all of us in the Council.

Lastly, I would like to share a moment of joy for myself and my father, Muhammad Yousuf Adil. By the grace of Almighty Allah, a new chapter in the history of ICAP was written as in 56 years of ICAP history, two members of a family have served and both have been elected as presidents.

I express my gratitude to all Council members, the two vice presidents, Khalilullah Shaikh and Nazir Ahmad Chaudhri, chairmen and members of various committees and boards, overseas chapters, members, government, friends and well-wishers for being the guiding beacons for all the attainments towards professional development. I am immensely thankful to them for reposing confidence, sharing their ideas, opinions and vision during my tenure as ICAP's president. I thank each one of them for their relentless support to the professional interests. I also express my sincere gratitude to our visionary past presidents for their timely advice whenever we approached them as well as the entire management team of the Institute for their dedicated support and professional contribution towards strengthening the Institute and the profession.

Dear members, our outlined plans are based on forward thinking strategy focusing on academic and institutional excellence, student success, and service to our community and region. It is our responsibility to take our Institute to greater heights of glory in the years to come. May Allah give us vigour and wisdom to steer the profession further and fulfill the expectations of all!

Nadeem Yousuf Adil, FCA

President, Institute of Chartered Accountants of Pakistan



notice of the annual general meeting

The 56th Annual General Meeting of The Institute of Chartered Accountants of Pakistan will be held on September 11, 2017 at 6.00 p.m. at ICAP House, Islamabad.

Agenda

The proceeding of the meeting will commence with recitation from the Holy Quran and will have the following agenda:

Ordinary Business

1. Confirmation of the minutes of the 55th Annual General Meeting.
2. Consideration and adoption of the Report of the Council and the Financial Statements of the Institute with Auditors' Report thereon for the year ended June 30, 2017.
3. Appointment of auditors for the year ending June 30, 2018 and fixation of their remuneration. The present auditors, Syed Aftab Hameed and Qasim Ebrahim Causer, being eligible, have offered themselves for re-appointment.
4. Any other business with the permission of the Chair.

Abdul Malik, FCA
Secretary

Karachi, August 26, 2017

report of the council

The Council of The Institute of Chartered Accountants of Pakistan (ICAP) is pleased to present its Annual Report for the year ended June 30, 2017.

ICAP continues to engage with other stakeholders to address the challenges to the profession and shape its future on many fronts. ICAP remains steadfast in its vision to develop responsible leaders who, through their competence and professionalism contribute to the sustainable economic growth of the country.

ICAP's strategic objectives continue to be aligned to its vision and mission. ICAP constantly reviews the robustness of its strategy in an integrated manner, taking into consideration the external environment, risks and opportunities, stakeholder issues and the availability of resources, etc.

This report is structured around the following Strategic Objectives:

Strategic Focus

The following strategic objectives were agreed by the Council:

- Modernising the education, training and examination system to bring it in line with international requirements.
- Broadening the scope of Quality Control Review (QCR) and making it more effective.
- Reforming the investigation procedures to make them more effective and efficient.
- Greater international recognition of our qualification.
- Building alliances with other regulatory/accountancy bodies.
- Addressing the needs of the Professional Accountants in Business (PAIB).
- Strengthening Small and Medium sized Practices (SMPs).
- Promoting the ICAP brand.
- Refining the governance structure of the Institute.
- Driving innovation through technology.



key priorities and achievements

	Goals	Action Plan 2013-17	Status/Achievements
Education, Training and Examination	<ul style="list-style-type: none"> Modernise the education system in line with the requirements of the profession 	<ul style="list-style-type: none"> New Education Scheme aligned with IFAC's International Accounting Education Standard Board's benchmarks. 	<ul style="list-style-type: none"> Multi Subject Assessment (MSA) has been introduced with effect from June 2017 examination session. After the introduction of MSA, Education Scheme introduced in 2014, has been fully implemented.
	<ul style="list-style-type: none"> Affiliate Scheme 	<ul style="list-style-type: none"> Launch the affiliate scheme and process applications. 	<ul style="list-style-type: none"> The scheme was launched in September 2016 and so far 592 Affiliates have been registered.
	<ul style="list-style-type: none"> Industrial Training 	<ul style="list-style-type: none"> Registration of 20 Training Organisations outside Practices (TOOPs) with placement in at least 5 TOOPs. 	<ul style="list-style-type: none"> To date 15 TOOPs have been registered. 44 CA students as trainees.
	<ul style="list-style-type: none"> Online education module on Ethics 	<ul style="list-style-type: none"> Launch of online education module on Ethics. 	<ul style="list-style-type: none"> Content development is in progress and is expected to be launched in September 2017.
	<ul style="list-style-type: none"> Registered Accounting School System (RASS) Scheme 	<ul style="list-style-type: none"> Approval of directive on RASS Scheme. 	<ul style="list-style-type: none"> Directive on RASS Scheme was approved in 2016. Meetings with prospective schools are in progress. MoU has been signed with Concordia Colleges of Beaconhouse Group.
	<ul style="list-style-type: none"> Build confidence in the Examination system 	<ul style="list-style-type: none"> Hiring of subject specialist. Capacity building of examiners. 	<ul style="list-style-type: none"> Review of suggested examination solution by a subject teacher immediately after examinations. Training of examiners and ICAP staff in relation to development of Multi Subject Assessment (MSA) papers and marking of MSA's answer scripts. Initiation of e-marking project. Appointment of subject specialists.
Practice Review Framework	<ul style="list-style-type: none"> Build public trust in the work performed by the practicing members 	<ul style="list-style-type: none"> To review the existing rules and bring about necessary changes and improvements. 	<ul style="list-style-type: none"> The Council deliberated on the Framework in light of comments of the membership and decided to revise the same accordingly. It was also decided to rename the Framework as Quality Assurance & Improvement Program. The revised Program has been circulated to the members for obtaining their feedback.
Investigation	<ul style="list-style-type: none"> Reduce the cases of misconduct and time lag in processing of investigation cases 	<ul style="list-style-type: none"> Amendments in the CA Ordinance to improve focus on enhancing efficiency and effectiveness of the investigation mechanism. 	<ul style="list-style-type: none"> In order to bring improvements in terms of efficiency and effectiveness of the investigative process, amendments in CA Ordinance have been finalised by the Council.
		<ul style="list-style-type: none"> Enhance frequency of Investigation Committee meetings to speed up the process of disposal cases. 	<ul style="list-style-type: none"> Maximum possible hearings of respondents are scheduled in meetings of the Investigation Committee in order to expedite the conclusion of the cases. Further, the cases are being approved and concluded through circular resolutions.
	<ul style="list-style-type: none"> To ensure transparency and create awareness among members regarding investigation process and general non-compliances observed on recurring basis 	<ul style="list-style-type: none"> Publication of Annual Report on professional misconduct. 	<ul style="list-style-type: none"> The second annual report of the Investigation Committee was prepared for the period from January 1, 2016 to December 31, 2016 and circulated to members.
		<ul style="list-style-type: none"> Conflict of Interest. 	<ul style="list-style-type: none"> Induction of non-council members in the Investigation Committee to enhance transparency. Members of the Investigation Committee withdraw from the proceedings of Investigations at the Council. Appellate process proposed under the revised CA Ordinance.



key priorities and achievements

	Goals	Action Plan 2013-17	Status/Achievements
International Recognition and Global Outreach	International Recognition	Partnership with renowned international institutes for mutual recognition.	<ul style="list-style-type: none"> MoUs were signed with CPA Canada, which offers membership with reduced exam requirements. ICAEW recently re-introduced its Pathway Scheme whereby members of ICAP with five year post-membership experience, being eligible under the scheme, may apply for ICAEW membership through evaluation of experience.
	Broaden activities outside Pakistan	<ul style="list-style-type: none"> Overseas Coordination Committee. - Support to Overseas Chapters in organising activities. - Adding more Overseas Chapters depending upon number of members. - Creation of revolving fund to support activities of Chapters. 	<ul style="list-style-type: none"> ICAP also supported its chapter in KSA in organising its annual event, Fifth Saudi-Pak Accountancy Symposium. The OCC supported its chapters in organising their annual dinners and other events. Annual dinners were supported by ICAP in UK, UAE, KSA and Canada. The OCC nominated a Management Committee of four members in Qatar for a period of one year. Initial steps have been taken in Australia & USA which could lead to formation of chapters after one year.
	Outreach	Establishment of an office in UAE to promote CA brand.	<ul style="list-style-type: none"> Ground work has been completed and in-principle approval granted by the council to complete all necessary legal formalities for establishment of office in UAE. Suitable senior member with extensive business connections in UAE are being identified to act as brand ambassadors.
Local Outreach	Extend outreach to students throughout Pakistan	Outreach activities including counselling sessions, participating in education expos and career fairs.	564 counselling sessions at various schools nationwide, participation in leading education expos and career fairs to generate awareness about chartered accountancy profession amongst the potential students, teachers and parents.
	Provide opportunity to all talented students	Networking with principals and student counsellors of leading schools and colleges.	Networking sessions at Karachi, Lahore and Islamabad were arranged with principals and student counsellors to educate them about CA profession and to promote it among the students of A-Levels.
		Series of open house counselling and orientation sessions throughout the country.	<ul style="list-style-type: none"> Open House sessions were arranged at all ICAP stations (Karachi, Lahore, Islamabad, Faisalabad, Multan, Gujranwala, Peshawar, Hyderabad, Sukkur and Mirpur) to educate potential students about ICAP and CA profession, RAETs stalls were setup to facilitate them about the ICAP education partners. Orientation sessions were held at all ICAP stations (Karachi, Lahore, Islamabad, Faisalabad, Multan, Gujranwala, Peshawar and Sukkur) to welcome new CA entrants and also to facilitate their smooth transition into the professional stream.
		<ul style="list-style-type: none"> CA Pakistan Olympiad for: <ul style="list-style-type: none"> - Intermediate students - Post-graduate students 	<ul style="list-style-type: none"> 2nd CA Pakistan Olympiad for the students of Intermediate was held at all ICAP stations (Karachi, Lahore, Islamabad, Faisalabad, Multan, Gujranwala, Peshawar, Hyderabad, Sukkur, Abbottabad and Mirpur). 1st CA Pakistan Olympiad for post-graduate students was arranged at Karachi, Lahore and Islamabad. Leading schools, colleges and universities participated in both the competitions.
		FM Advertisement Campaign.	To reach out to maximum people and inform them about ICAP and CA Pakistan radio spot runs on FM/radio stations FM 100, FM 103 and FM 107.4 summer.
		Edhi-CA Talent Program.	<ul style="list-style-type: none"> Edhi-CA Talent Program was revamped to make it a fully merit based scholarship demonstrating Institute's commitment towards merit. During the year 2016, 40 talented students were facilitated through Edhi-CA Talent Program taking the total student base to 100.
		Student Endowment Fund.	In the process of transforming the existing program into an aggressive students support drive. Whereby, the support is being significantly increased and a special need-based allocation has been approved by the Council.



key priorities and achievements

	Goals	Action Plan 2013-17	Status/Achievements
		<ul style="list-style-type: none"> Seeking scholarships from public and private sector to ensure that meritorious students are absorbed in the folds of profession. 	<ul style="list-style-type: none"> To pursue professional qualification of CA, Punjab Educational Endowment Fund (PEEF) has given scholarships to another 15 deserving CA students. 5 scholarships for Edhi-CA Talent Hunt Program, 2 from PSO, 2 from EFAF, 1 from ICAP member Tariq Gulzar.
Service to Members and Students	<ul style="list-style-type: none"> Value creation for membership through improved employability 	<ul style="list-style-type: none"> CA Pakistan Seminar and Job Fair. Alumni Success Stories seminar. 	<ul style="list-style-type: none"> CA Pakistan seminar and Job Fair was arranged for freshly qualified members at Karachi, Lahore and Islamabad to support placements. Alumni Success Stories seminar was also arranged at Karachi for fresh CAs and trainee students to learn from the senior CAs about career development, growth and progress to help them in future. ICAP job portal offers a compendium of new local and international job openings on regular basis. Institute has also an arrangement with rozee.pk to provide customised service to its fraternity in placements.
Strengthening Small and Medium sized Practices (SMPs)	<ul style="list-style-type: none"> Create opportunities for SMPs 	<ul style="list-style-type: none"> Corporate Governance training program for SMPs. 	<ul style="list-style-type: none"> A Co-operation Agreement between ICAP and International Finance Corporation (IFC) has been signed. Under the said agreement both the organisations agreed to cooperate on delivering corporate governance training program (the CG Program) to ICAP's SMPs using IFC MENA SMEs Governance Training Material developed by the IFC. To further facilitate our members, the Institute has approved a web based service whereby members can send their technical queries pertaining to financial reporting, audit and ethics related matters.
Driving Innovation through Technology	<ul style="list-style-type: none"> IT Strategy 	<ul style="list-style-type: none"> Formulate and implement a suitable IT strategy. 	<ul style="list-style-type: none"> The Institute focused in building its executive team and hired a new director IT who has developed a comprehensive IT strategy document which was presented to the Council. IT strategy is under final approval process.
	<ul style="list-style-type: none"> Innovative solutions 	<ul style="list-style-type: none"> Providing online solutions to members, students and other stakeholders. 	<ul style="list-style-type: none"> Provision for online payment through EasyPaisa.
		<ul style="list-style-type: none"> Development of new portals. 	<ul style="list-style-type: none"> Developed Mentorship portal and Professional Accounting Affiliates portal.
Enabling Women to Transcend the Barriers	<ul style="list-style-type: none"> Build capacity of women chartered accountants 	<ul style="list-style-type: none"> Series of leadership programs focused on women and leadership through Chartered Accountants Women's Forum (CAWF). 	<ul style="list-style-type: none"> The Chartered Accountants Women's Committee (CAWC) was constituted in January 2017. CAWC celebrated Women's Day at a national level on April 7, 11 and 13 in Karachi, Islamabad and Lahore on the theme, Be Bold for the Change. ICAP CA Women Achievement Awards were given to female chartered accountants & aspiring CA students who have achieved professional excellence from an independent jury.
	<ul style="list-style-type: none"> Create opportunities for women chartered accountants 	<ul style="list-style-type: none"> Encouraging CAWF to act as a platform for experience sharing. Encouraging participants to raise issues significant to females and work towards innovative solutions. 	
Future Growth	<ul style="list-style-type: none"> Business Plan to deliver strategic priorities 	<ul style="list-style-type: none"> Reviewing of business opportunities, building up of endowment funds to ensure that adequate funds are available to accomplish the programs. 	<ul style="list-style-type: none"> The Council decided to allocate 20% of its annual surplus to the Students' Endowment Fund. The Council would soon be considering further allocation to the Fund.

four years at a glance



Community

- Best Corporate and Sustainability Reports Awards
- Edhi-CA Talent Program
- Students' Endowment Fund
- ICAP Benevolent Fund
- Health Insurance for members and their families
- Scholarships from public and private sector for meritorious students



Governance

- Code of Conduct Policy for Council and Committee members
- Whistle Blowing Policy and Code of Conduct for employees
- Manual of Investigation cases decisions
- Comprehensive Promotion Policy



International Recognition & Collaborations

- Reciprocity arrangements with CIMA and CPA Canada
- Associate membership with CA Worldwide
- Cooperation Agreement with IFC for Corporate Governance Training for SMP sector
- MoU with SOCPA
- Collaboration with CIPFA for Capacity Building
- Pathway of ICAEW



Students

- Networking/awareness sessions for A-Levels and Intermediate students
- Launching of Learning Outcomes based syllabus
- Launching of Relevant Degree Awarding Institutes (RDAs)
- Developed Study Packs for Certificate in Accounting and Finance (CAF) and Certified Finance and Accounting Professionals (CFAP) levels
- Facilitation of CA route degree programs at universities
- Introducing Computer Based Examination (CBE) for Assessment of Fundamental Competencies (AFC)
- Launching of Teachers' Training program
- Introduction of Multi Subject Assessments at final level
- Appointment of Subject Specialists
- Online ethics module developed
- Soft Skills courses launched
- Introduced Students' Feedback Scheme
- Launched Professional Accounting Affiliates (PAA) Scheme
- Introduced Registered Accounting School System (RASS)
- Launched Training Organisation outside Practice (TOoP) Scheme
- Provision for Online Payment through EasyPaisa



Local & Global Outreach

- Establishment of new Overseas Chapters
- Establishing Overseas Support Fund
- Decision to establish Dubai office
- Holding Conferences outside Pakistan (UAE & KSA)
- Active participation at the global forums
- Extending office network to major cities like Quetta, Mirpur Azad Kashmir, Hyderabad, Abbottabad

four years at a glance

Publications



- ICAP-Coffee Table Book: A Journey through Time
- Second Edition: ICAP Coffee Table History (CTH): Decades of Excellence
- Members' Information and Education Series (MIES)
- Guides
- New Standards (NPO, Going Concern, etc.)

Regulations



- Revised Framework of QCR program
- Assisted in establishment of Audit Oversight Board (AOB)
- Revamping of Investigation Committee
- Establishment of Independent Accounting Standards Board (ASB)
- Quality Assurance and Appellate Board formed
- New Training Regulations
- Draft CA Ordinance submitted to SECP

Awareness and Image Building



- CFO Conferences in Karachi, Lahore, Islamabad and Dubai
- SAFA Conference 2016
- PFM Conference 2015 and 2016
- CASA Conference 2015
- SOCPA Conference in Jeddah in collaboration with Saudi Organisation for Certified Public Accountants
- National Finance Olympiad (NFO) 2015, 2016
- Soft skill workshops, CA Pakistan seminars and Job fairs for freshly qualified members
- CA Pakistan Logo
- Upgradation of Infrastructure

Innovation & Technology



- Integration with IFAC Knowledge Gateway
- Availability of CPD videos on web
- Mobile Apps for members and students
- Mobile Apps for CFO Conferences (Pakistan and KSA)
- New IT Strategy
- Mentorship Portal
- Professional Accounting Affiliates Portal
- Digitisation of answer scripts and E-Marking System of scripts

Members



- Assistance to members for job placements through ICAP Job Portal
- Circulation of Annual Report of the Investigation Committee to members
- CPD Engagement Drive
- ICAP Mentorship Program
- CA Toastmasters Clubs
- Chartered Accountant Women Committee (CAWC) formed with countrywide participation
- Circulation of Council Highlights to members
- President's Communication

year at a glance

Community



- Rebranding of Edhi-CA Talent Program and Endowment Fund
- Best Corporate and Sustainability Reports Awards
- Scholarships from Public and Private Sector to ensure that meritorious students are absorbed in the folds of profession

Students



- Registered Accounting School System
- Professional Accounting Affiliates Scheme
- Provision for Online Payment through EasyPaisa

Innovation and Technology



- New IT Strategy
- Mentorship Portal
- Professional Accounting Affiliates Portal
- E-Marking System

Publications



- Launch of ICAP Coffee Table History (CTH): Decades of Excellence
- Special Bulletin: ICAP Elections 2017
- The Pakistan Accountant
- Newsletter
- Audit Bulletin
- PFM Booklet 2016
- Annual Report 2017



Collaborations

- MoU with CPA Canada

Governance



- Draft CA Ordinance submitted to SECP
- Council Meeting Highlights
- Revised Comprehensive Promotion Policy
- Internship Policy
- Establishment of Independent Accounting Standards Board

Members

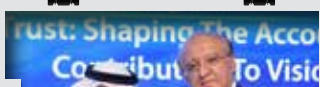


- Elections 2017
- CFO Conference 2017 (Karachi, Lahore)
- SOCPA Conference
- National Finance Olympiad 2016
- CPD Engagement Drive
- ICAP Mentorship Program
- Pre & Post Budget Seminars

Regulations



- 15 TOoP (Training Organisation outside Practice) registered



year at a glance

Education & Training

Professional Accounting Affiliate

ICAP launched a mid-tier qualification, Professional Accounting Affiliate in September 2016 to formally recognise the competence of advanced level students who have achieved a pre-defined milestone. So far, 592 students have been registered, as Affiliates.

Registered Accounting School System

In order to bring CA qualification within the reach of students in large parts of the country and to help attract quality students to the profession, the directive to allow school systems, having appropriate network, for conducting CA classes as Registered Accounting School System (RASS) was approved by the Council in 2016. The Institute signed an MoU with Concordia Colleges Beaconhouse group to become the first RASS of the Institute.

The Council of the Institute on the recommendation of ETCOM has for the first time prescribed minimum class size for RAETs. This will facilitate effective coaching of the students.

The recognition and exemption policies are being reviewed to bring them in line with best practices and derive more benefits from such arrangements.

A comprehensive review of whole education scheme is planned for 2017-18 to bring it in line with new developments and better practices and make the profession attractive for the quality students.

A comprehensive review is underway to develop plan and policy for education delivery channels.

Students Endowment Fund

The Institute established a Students' Endowment Fund in 2008 to support bright as well as financially

students/members

deserving students to facilitate them to acquire quality education though providing assistance in their tuition fees. During the year, 634 applications were accepted, while till date 2,525 applicants have been supported. Out of these students 53 have successfully qualified CA Pakistan.

Edhi CA-Talent Program

Established in 2013 with an aim to attract top talented students from underprivileged background is now a fully merit based scholarship whereby top students on the merit list qualify for scholarship. Top 20 position holders from all HSC boards are eligible to apply for fully funded scholarship. Around 40 students are inducted in the scheme annually. Rs. 12 million has so far been spent by ICAP under this scheme to support 109 students and out of them 100 are continuing their quest to life changing qualification.

EasyPaisha Scheme for Students

To provide greater convenience to students and members across Pakistan, the Institute joined hands with Pakistan's first and largest branchless banking service, EasyPaisha, for providing online payments solution.

International Recognition and Outreach

Institute of Chartered Accountants in England and Wales (ICAEW) recently re-introduced its Pathway Scheme that included a number of professional bodies whose members are eligible to apply under the scheme. Members of ICAP with five year post-membership experience, being eligible under the scheme, may apply for ICAEW membership through the Pathway Scheme.

For international recognition of the CA Pakistan qualification, an MoU was signed by the Institute with Chartered Professional Accountants (CPA) Canada.



year at a glance

Under the MoU, the membership requirements for ICAP members have been reduced, which will facilitate the career progression of the members residing in Canada or wishing to move to Canada.

Another MoU with Saudi Organisation for Certified Public Accountants (SOCPA) was signed in May 2016 to strengthen the accountancy profession in the Kingdom of Saudi Arabia. Through this MoU, ICAP and SOCPA will work together for enhancing co-operation, exchanging information and experience, and providing assistance to each other in the area of professional development of the members.

Chartered Accountants Women's Committee (CAWC)

The Institute constituted a working committee for female chartered accountants in January 2017 which will work towards mentoring females to pursue CA profession and enabling female CAs to transcend barriers and break the glass ceiling. The Committee celebrated Women's Day on a national level on April 7, 11 and 13 in Karachi, Islamabad and Lahore respectively on the theme, Be Bold for the Change. Notable international and local experts were invited and ICAP CA Women Achievement Awards were given to outstanding female members and aspiring students. The Committee is planning to organise a Global Leadership Summit in December in Karachi.

Examinations

CA Examinations were conducted smoothly during the year. 46705 students appeared in various examinations as compared to 40038 students in the previous year. In the same period, 5390 new students were registered as compared to 5146 students in the previous year.

With effect from June 2017, the Institute has introduced Multi Subject Assessment (MSA) for final

students/members

level students. The two separate assessments to test competence of the students are as follows:

1. Financial Reporting and Assurance - Professional Competence
2. Strategic Management - Professional Competence

Introduction of MSA has made the Institute compatible with leading professional bodies of chartered accountancy and it would be helpful in obtaining further recognition from professional bodies.

ICAP initiated a project for e-marking of exam scripts. An international vendor was selected through appropriate selection process to assist in this endeavour. The key objectives of the initiative are to enhance security of exam scripts, enhanced monitoring of paper checking process, consistency in paper checking, and reducing processing time. Pilot project and trainings under the project have been undertaken and launch is expected by end of 2017.

Further initiatives include hiring of subject specialists to enhance consistency of paper setting, specialist input and advise during paper setting and checking process, reduced grievances, etc. Independent review of model solutions post exams to enhance transparency and trust in checking and marking process.

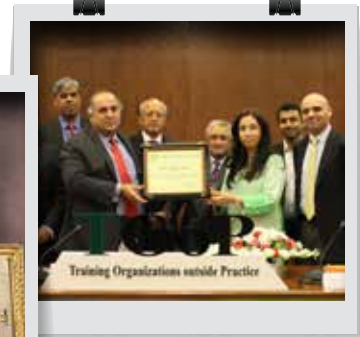
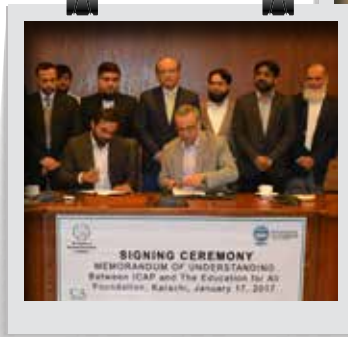
During the year, the Institute has started to conduct the Certified Finance and Accounting Professional (CFAP)/MSA examinations in Gujranwala. This is the 10th examination center where CFAP/MSA examinations are being conducted.

Gold Medals and Merit Certificates

Gold medals and merit certificates were awarded by the Institute to the following students:



ICAP Annual Report 2017



year at a glance

Gold Medals

FINAL EXAMINATION

Summer 2016



Muhammad Saad
ICAP Ebrahim S. H. Dahodwala Gold Medal
For outstanding performances in all papers of CA program

Winter 2016



Zehra Ilyas
ICAP-Irtiza Husain Gold Medal
Corporate Laws



Muhammad Waqas Umer
ICAP-Osman Ali Gold Medal
Business Finance Decisions



Fariha Javed
ICAP-JP Patel Memorial Gold Medal
Management Accounting



Fayyaz Ahmed
ICAP Ebrahim S. H. Dahodwala Gold Medal
For outstanding performances in all papers of CA program

CAF EXAMINATION

Spring 2016



Syed Muhammad Murtaza Naqvi
ICAP Gold Medal (Ameena Khatib Foundation)
Financial Accounting & Reporting II

students/members



Abdul Rafeh Faiz
ICAP Kasbati Memorial Gold Medal
For outstanding performance in CAF Examination

Autumn 2016



Hamza Naeem
ICAP Gold Medal (Ameena Khatib Foundation)
Financial Accounting & Reporting II



Hamza Tariq
ICAP Kasbati Memorial Gold Medal
For outstanding performance in CAF Examination

Merit Certificates

FINAL EXAMINATION

Summer 2016

Kalsoom Bashir
Information Technology Management, Audit and Control

Muhammad Ozair Javed
Advanced Accounting and Financial Reporting

Asma Eman
Corporate Laws

Maad
Business Management

Suchal Pirzada
Management Accounting

Muhammad Saad
Business Finance Decisions



year at a glance

Salima Mohammad Ali
Advanced Taxation

Sameen Bibi
Advanced Auditing

Winter 2016
Izz Ghanaa Ansari
Advanced Accounting and Financial Reporting

Rida Waseem
Business Management and Strategy

Sarmad Sattar
Advanced Taxation

Fariha Javed
Audit, Assurance and Related Services

Maad
**For outstanding performance in all papers of
CA Final Examinations**

CAF EXAMINATION

Spring 2016
Muhammad Shahroz Inam
Introduction to Accounting

Abdul Haseeb Ijaz
Introduction to Economics and Finance

Abdul Haseeb Ijaz
Business Law

Rao Waqar Ali
Financial Accounting & Reporting I

Sheharyar Farooq
Principles of Taxation

students/members

Syed Muhammad Murtaza Naqvi
Financial Accounting & Reporting II

Usama
Cost & Management Accounting

Autumn 2016
Rida Aisha
Introduction to Accounting

Muhammad Aftab Khalid
Introduction to Economics and Finance

Rabia Batool Shaukat
Business Law

Abdul Haseeb Ijaz
Business Management & Behavioural Studies

Usman Ashraf
Financial Accounting & Reporting I

Abdul Haseeb Ijaz
Principles of Taxation

Hamza Naeem
Financial Accounting & Reporting II

Syed Basit Hussain
Cost & Management Accounting

Hamza Tariq
Audit & Assurance

AFC EXAMINATION

Spring 2016
Hassan Saeed
Functional English



year at a glance

Muhammad Hamza Suhail
Business Communication

Zaufeshan Nadeem
Quantitative Methods

Ahmed Ali
Introduction to Information Technology

Summer 2016
Samman Arshad
Functional English

Furqan Butt
Business Communication

Nimra Ehsan
Business Communication

Muhammad Addan Bin Zahid Kayani
Quantitative Methods

Arhum Abdullah
Introduction to Information Technology

Autumn 2016
Zeeshan Raza
Functional English

Hadiya Munaf
Functional English

Maheen Najmi
Business Communication

Soban Amin
Quantitative Methods

Ubedullah
Introduction to Information Technology

students/members

Abdul Musavir
Introduction to Information Technology

Winter 2016
Ahtasam Ahmad
Functional English

Ahmed
Business Communication

Ahmed
Quantitative Methods

Mohammad Sufyan
Introduction to Information Technology

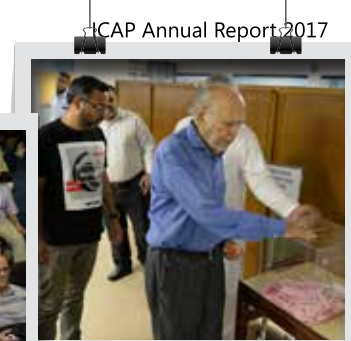
Muhammad Ahmed
Introduction to Information Technology

Simran Balani
Introduction to Information Technology

Marketing and Communication Department

To accomplish the strategic goals of ICAP and strengthen the brand image of the Institute and CA Pakistan qualification, Marketing and Communication (MARCOM) department disseminated positive messages nationwide through presentations, networking sessions, events, print media and social media.

A number of counselling sessions were arranged nationwide for potential CA students through which a large number of students from various academic backgrounds were informed about ICAP and CA Pakistan. ICAP team participated in career fairs arranged by leading schools and education expos, including Dawn Expo, The News Expo and The Express Expo; where a significant number of visitors were



ICAP Annual Report 2017



year at a glance

educated about the chartered accountancy profession. Minority Support Program – a new initiative was undertaken to tap leaders of minority communities and counselling sessions were conducted for their students and parents using this platform.

A number of events were arranged during the year; Edhi-CA Talent Program Awareness Sessions for high achievers, parents and faculty, CA Pakistan Olympiad for intermediate students, CA Pakistan Olympiad for undergraduate level and Open House Sessions for potential students. Inter RAETs Debate Competition, Presentation Skills Competition, Orientation Sessions and South Asian Federation of Accountants (SAFA) Quiz & Elocution Contest for existing students. CA Pakistan Seminar and Job Fair and Alumni Success Stories Seminar were held for trainee students and members. Lunch and Learn sessions with academia and Corporate Meetup session were arranged for external stakeholders.

To facilitate CAs and partly qualified CAs, networking meetings with CEOs, CFOs and HR heads were arranged, jobs were posted on the ICAP Job Portal and CVs were also shared with the organisations on request basis.

To strengthen strategic corporate communication, ICAP events were covered through print and electronic media, articles endorsed by senior members were published in the newspapers and interviews of some Council members were also arranged with leading newspapers. Edhi-CA Talent Program ads, CA promotional ads and congratulatory messages were published to approach the target audience nationwide.

To support strategic planning and comprehend the dynamics of changing trends and markets, surveys were conducted which included Brand Perception Survey, Enrolment Analysis (five years), etc.

students/members

Membership

Members have a key role to play in driving sustainability, by providing business intelligence to support sustainable corporate strategy in both immediate and long-term decision making. Our membership is growing at a gradual pace. Membership of the Institute as on June 30, 2017 was 7628 out of which 1743 members are overseas which account for 23 percent of the total membership. During the year 2016-17, 533 new members were admitted, 138 were restored and 171 members were removed from the register of members under Section 19 of the CA Ordinance, 1961 resulting in net increase of 671 members. Out of the total membership, 89 percent are employed in commerce and industry, financial institutions, government departments, education, and 11 percent are in public practice.

Service to Members

Continuing Professional Development

The key objective of the Continuing Professional Development (CPD) is to work for the professional development of members across Pakistan and overseas. Key CPD programs and updates are as follows:

Key CPD Programs

Directors' Training Program

Directors' Training Program (DTP) launched in January 2013, is a four day training covering broad perspectives and principles of corporate governance, applicable laws, financial and strategic management, reporting and communications.

Since its launch, ICAP has held 29 programs certifying 549 directors from various renowned organisations across Pakistan. ICAP also offers customised DTP exclusively for companies that want to conduct in-house DTP for their board of directors.



year at a glance

In addition to that, ICAP conducts Directors' Orientation & Training Program which is designed to enable directors to have better understanding of specific context under which directors operate, building awareness of applicable laws to help them better comprehend their duties and responsibilities. Moreover, it aims to acquaint them with wider scope of responsibilities, propagate due diligence and acting in good faith while effectively managing the interests of all stakeholders. To date, two orientation trainings have been held, certifying 42 directors in total.

Other training programs include Certification in Board Evaluation Techniques (CBET) and DTP for Public Sector.

Launch of Directors' Training Program on Social Media: ICAP Directors' Training Program official page was launched on Facebook along with a closed group on LinkedIn exclusively for all certified directors.

Launch of CPD Engagement Drive: The Institute launched an Engagement Drive in March 2017 to encourage members to participate in activities for their continuous professional development and to report CPD hours gained through these activities. The objective of this campaign is to address serious lack of reporting by members. Through the engagement drive, the Institute will acquaint members with CPD Directive, spread awareness and knowledge amongst its members regarding the various ways to earn CPD hours as well as the simple and easy reporting procedure.

CPD Earners: The top 5 CPD (hours) Earners for the year 2016-17 are as follows: 1. Altaf Noor Ali, ACA (R-2208), Karachi: 628; 2. Muhammad Aftab, FCA (2158), Karachi: 602; 3. Abdul Rahim Suriya, FCA (R-1531), Karachi: 510; 4. Asif Siddiq, FCA (R-1908), Karachi: 467; and 5. Sajid Shafiq, FCA (R-3375), Jeddah: 459.

students/members

CPD Programs: During the year 95 programs were conducted through the regional committees and the Overseas Chapters. The details are as follows: Southern Regional Committee: 15 Programs; Northern Regional Committee: 58 Programs; Kingdom of Saudi Arabia Chapter: 9 Programs; PAF-Jeddah: 6 Programs; UAE Chapter: 5 Programs; Canada Chapter: 1 Program; and Bahrain Chapter: 1 Program.

Professional Accountants in Business Committee (PAIBC)

The ICAP Professional Accountants in Business Committee (PAIBC) formed in 2009 has progressed significantly since then. Recognised at International Federation of Accountants (IFAC) level, ICAP PAIB Committee strives to provide meaningful professional support to members of the Institute working in the industry and advocate for the great role they are playing in developing sustainable business organisations.

Key Programs: This year, the CFO Conference 2017 was held in March in Karachi and Islamabad with the theme, Shaping the Future, Connecting the dots: Learn, Leverage, Lead. It was in line with the changing paradigm of economy, politics and technology. Renowned industry experts and business leaders connected the dots at the event and shared their vision about the impetus needed to shape the future, and the key ingredients that can empower professionals to lead and succeed.

CFO Conference 2017 was a success with a participation of around 1200 professionals from 439 organisations across Pakistan.

Since 2010, 16 CFO conferences have been held across the country with participation of more than 8000 business leaders and finance professionals.



year at a glance

CFO Conference Middle East 2016: CFO Conference Middle East 2016 was organised in collaboration with the International Federation of Accountants (IFAC) at Atlantis, The Palm, Dubai and attended by 600 finance and business professionals from Gulf Cooperation Council (GCC) and Pakistan. The conference participants included H.H. Sheikh Nahyan Bin Mubarak Al Nahyan, cabinet member and minister of Culture and Knowledge Development, Pakistan's ambassador to the UAE, IFAC deputy president Rachel Grimes and team.

ICAP CFO Conference Middle East is scheduled for November 2017. The conference was launched in 2014 to provide the members in Middle East the opportunity to connect and engage in information sharing.

Digital Media: A mobile application of ICAP CFO Conference was made for the conference available both on iOS and Android. In addition, ICAP CFO Conference website and Facebook official page as well Twitter and LinkedIn accounts were developed. Similarly, National Finance Olympiad also has an official Facebook page with around 2000 likes.

ICAP Mentorship Program: Launched in April 2017, it is designed to promote and contribute to the growth of ICAP members, facilitating them to define their professional goals and formulating right strategies to achieve them. Twenty senior and experienced professionals with diversified backgrounds in practice, industry and academia provide guidance to mentees. To date, 41 mentees have registered for the program; 17 from Lahore, 13 from Karachi, seven from overseas.

National Finance Olympiad (NFO): Launched in 2015, NFO is a finance competition for professionals working in industry and firms. In 2016, 36 teams from industry

students/members

as well as firms across Pakistan, participated in the competition. In the thrilling finale, Gadoon Textiles Mills was crowned as the National Finance Champion 2016 with KPMG Taseer Hadi & Co. came in second while Central Depository Company of Pakistan Limited (CDC) got third position. Apart from trophies and certificates, the winners were given Apple Mac Book Pro, Apple iPads and Apple iPhones.

Soft Skill Workshop: PAIBC organised a workshop, Road to Success: Your Journey Began Yesterday, on June 30, 2017 in Karachi. The workshop was attended by members as well as Professional Accounting Affiliates. The workshop was conducted by Fakir Aijazuddin, FCA. Similar workshops are planned for Lahore and Islamabad in August and September.

In order to strengthen the member expertise, PAIBC is focusing on enhancing the soft skills through various initiatives. One such initiative is Toastmasters Club. The clubs are operating in Lahore, Islamabad, Faisalabad and Karachi where members get over the inhibitions of public speaking. This workshop is also the first of the series of soft skills workshop that the committee plans to hold.

The PAIBC is also working on the Employer Engagement Survey, Industry Specific Guidelines through its sub-committees for the launch in the coming quarter.

ICAP Toastmasters Clubs: Strong communication skills can accelerate the professional growth and success. Toastmasters Club is a renowned international source of providing vibrant platform for the development of communication, interpersonal and leadership skills. ICAP has currently four Toastmasters Club operating in Lahore, Islamabad, Faisalabad and Karachi.



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year at a glance

The first CA Toastmasters Club was formed in 2012 in Lahore and since then has flourished rapidly. The Club celebrated the 100th meeting with pomp and fare this year. The club is regular in holding meetings and meets on 1st and 3rd Wednesday of every month at Lahore ICAP office.

The ICAP Toastmasters Club Faisalabad was formed in March 2015. The club meets regularly on 1st and 3rd Friday of every month at ICAP Faisalabad office.

The CA Toastmasters Club Islamabad was recently formed on August 1, 2016. The club, although fairly new, holds regular meetings on 1st and 3rd Thursday of every month at the ICAP Islamabad office.

ICAP Karachi Toastmasters Club, re-established in 2017 with a proper launch, is also contributing in development, improvement and enhancement of communication skills for the chartered accountants in Karachi. The Club assists our members to break the barriers of communication and gain expertise in expressing organised thoughts publicly resultantly increasing self-confidence, leadership skills and personal growth.

Technical Services

The Institute is committed to meet the technical needs of its members, and in the past year has aimed to embrace the change and equip the members to adapt to the evolving and growing professional requirements. The Institute remained fully dedicated to support the standard setting, develop and deliver insightful and value-added guides, raise voice for the members benefit and share the perspective with the regulators and international standard developers.

The Institute also supported the members by responding to their technical enquires on various accounting, auditing and reporting matters. Further,

students/members

guidelines and materials covering auditing and accounting topics were published for members and stakeholders benefit. The following are the key highlights:

Relevance to Members and Stakeholders: The Council approved the following:

- Revised CSR/Sustainability Assurance Report.
- Statement of Compliance for Financial Statements prepared using IFRS for MSEs or revised AFRS for SSEs.
- Guideline on basis of Preparation of Financial Statements for Companies that are not considered Going Concern.
- Revised ATR 17 (2017), Auditors' Report to the Trustees/Board of Governors/Management Committee.
- Guide on Auditor's Responsibilities relating to Going Concern Assumption in an Audit of Financial Statements.

Comments by the Institute

International standard setters: Soliciting and sharing views on future and proposed developments in the area of auditing and accounting is an integral part of the work effort of the Institute, comments were shared on various proposed pronouncements with the international standard setters.

Comments on the following IASB Exposure Drafts were sent during the year:

- Improvements to IFRS 8 Operating Segments.
- IFRS Annual Improvements.

Comments on the following pronouncements were sent to the IAASB/IESBA:

- Exposure Draft, Improving the Structure of the Code of Ethics for Professional Accountants - Phase 2.
- Exposure Draft, Proposed revisions pertaining to Safeguards in the Code - Phase 2 and Related Conforming Amendments.



year at a glance

- Exposure Draft, Proposed Revisions to clarify the applicability of Provisions in Part C of the extant Code to Professional Accountants in Public Practice.
- Exposure Draft, Proposed ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures.
- Exposure Draft, Proposed Application Material Relating to Professional Skepticism & Professional Judgement.

Regulators: The Institute understands the importance of working in close coordination with regulators as it is critical for the effective and efficient functioning of the capital markets and sustained national prosperity. The Institute used its voice to safeguard public interest, and shared unique perspectives to influence current and proposed legislations and regulations.

Comments on the following drafts were sent to the Securities and Exchange Commission of Pakistan (SECP):

- Auditors (Reporting Obligations) Regulations, 2017.
- NBFC Regulations on Mutual Funds – Element of Income.
- Limited Liability Partnership Regulations, 2017.
- Partnership Act.
- Companies Bill 2017.
- Insurance Bill 2016.

Awareness sessions - Connecting the Stakeholders:

ICAP and SBP hosted AAOIFI Public Hearing on Exposure Draft - Central Shariah Board & Murabaha and Deferred Payment Sales. The Institute in collaboration with State Bank of Pakistan (SBP) hosted a public hearing on behalf of Accounting & Auditing Organisation for Islamic Financial Institutions (AAOIFI) on the Exposure Drafts of Governance Standard: Central Shari'ah Board and Accounting Standard: Murabaha and deferred payment sales at ICAP.

students/members

ICAP is considering adopting AAOIFI accounting standards and is also working closely with AAOIFI on joint projects.

Standard Setting: The Institute fulfills its mandate by supporting the standard setting in a globally innovative and dynamic environment, and recognises that timely adoption and effective implementation of international standards is critically important for the effective functioning of capital markets, efficient capital allocation, financial stability and sound economic growth.

The Accounting Standards Board (ASB) was established for the strengthening of accounting profession and promotion of the best practices in Pakistan.

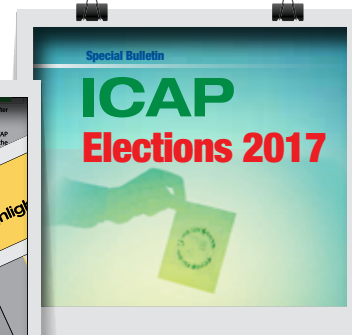
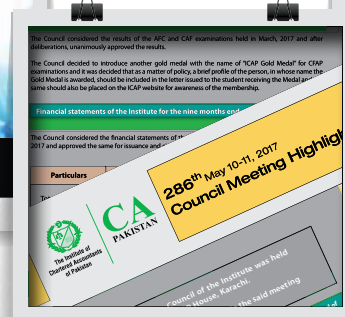
ASB deliberated on the latest accounting standards IFRS 9 Financial Instruments, IFRS 15 Revenue for Contracts with Customers, IFRS 16 Leases and IFRS 17 Insurance Contracts issued by the International Accounting Standards Board (IASB). ASB carried out and completed the consultation process on the IFRS 9 and IFRS 15.

The Institute solicited stakeholders' feedback, organised seminars, and assembled resources for the timely adoption and effective implementation of the new standards.

The following drafts were issued for stakeholder comments:

- Diminishing Musharaka.
- General presentation & Disclosure in the Financial Statements of Institutions offering Islamic Financial Services.

Selected Opinions: Selected Opinions Volume XXII containing technical opinions issued during the period



year at a glance

July 2016 to June 2017 has been uploaded on the Institute's website. During the year, responses were given on the following:

- Query on Presentation of Capital Advances
- Opinion required on Defined Benefit Plan under Section 28 of the IFRS for SMEs
- Real Estate Project Accounting on the Basis of Percentage of Completion Method
- Clarification on Applicability of IAS 41 Agriculture on Poultry Industry
- Query on Conflict of Interest
- Clarification Regarding Charging of Minimum Audit Fee for Closed Operation Client
- Technical Assistance on Presentation of Financial Statements
- Treatment of Unrealised Mark-Up on Advances
- Break-Up Value Computation in Case of Life Insurance Companies
- Subsequent Cost of Intangible Asset
- Foreign Currency Interest Free Sponsor's Loan
- Change of Amortisation Method of Intangible Asset
- Section 208 of the Companies Ordinance 1984
- Query Regarding Mark-Up on Government Loans
- Applicability of IAS 20 Accounting For Government Grants And Disclosure of Government Assistance For Loans Obtained From The Government Of Sindh At Lower Interest Rate
- Reclassification of Items
- Liquidated Damages
- Consolidation of Subsidiary - Private Brokerage Company
- Issue of Booking the Principal Amount for IPPs

Publications

Publication department mirrors The Institute of Chartered Accountants of Pakistan, and plays a key role in the branding and imaging the Institute among its stakeholders.

students/members

Publication department designs and prints the ICAP monthly Newsletter, quarterly journal The Pakistan Accountant, Annual Report and other in-house publications to promote the Institute to the external community. It connects members, students, staff and other stakeholders through its publications, and shares knowledge, insight and expertise.

In additions to its core functions, Publication department provides drafting, editing, reviewing, designing and printing support of communication material to other ICAP departments. Publications department also manages corporate communication for the ICAP president, VPs and other senior management.

Publication department has worked on almost 150 tasks, major and minor, during the year under review. Some of the major tasks of Publications through July 2016 - June 2017 are:

Digital launch of Coffee Table History (CTH): Decades of Excellence: The digital launch of Coffee Table History (CTH): Decades of Excellence was held at the 55th AGM on September 8, 2016 at the ICAP House in Karachi. It was a five minute projection of the glimpses of CTH in a ceremony attended by the stalwarts of the profession, past presidents and Council members.



ICAP turned 55 in 2016, so the second edition, ICAP Coffee Table History (CTH): Decades of Excellence celebrated ICAP's fifty-fifth birthday, 1961-2016. CTH is a 270 page document which encapsulates the Institute's extraordinary 55 year journey. CTH was perhaps Publication's greatest challenge of 2016 and follows the 2015 edition of ICAP's coffee table book, ICAP – A Journey through Time, a 250 page document capturing its fifty golden years, 1961-2011.



year at a glance

Annual Report 2017: ICAP's Annual Report 2017: In



Pursuit of Excellence is another major effort of the Publication department. The difference in this year's annual report is in its brevity without compromising on the contents and essence. To move forward with changing time and technology a Just-One-Question

Survey: Annual Report 2017: Hard Copy or Soft? was conducted with members. The response was overwhelming and soft copy was a straight winner with a significant 78.3% of the total votes cast in its favour.

The Pakistan Accountant: The Pakistan Accountant



(TPA), the flagship quarterly magazine of ICAP, has been informing its stakeholders, since 1961, about leading developments in the accountancy profession and business world. Besides TPA's traditional articles and research on auditing, accounting, taxation,

economy, etc., Publication is continuing with its effort to improve the contents and design to make it more readable and appealing. The Publication Committee brainstorms with the department to select topics for the TPA cover themes, and provides valuable input and guidance.

Publication department is continuing with its initiative to collaborate with International Federation of Accountants (IFAC) to acquire quality articles from its Global Knowledge Gateway (GKG) for TPA.

Newsletter: The Newsletter, which keeps the members, students and staff informed about various ICAP conferences, seminars, workshops and other

students/members



events and activities, is uploaded on the website. New items, contributions from students and bits of human interest info boxes are included in the Newsletter to make it more interesting and readable.

Corporate Communication: During the year under review, Publication provided editing/reviewing/ designing/printing assistance for the following tasks: Quarterly Audit Bulletins (4 issues); Council Meeting Highlights (8 issues); Public Financial Management (PFM) Booklet 2016; copywriting of ICAP press advertisements and greeting cards; development of concept and copywriting of Edhi-CA Talent Program and Endowment Fund brochure; High Achievers' Interviews for ICAP website; TOOPs newspaper supplement, press releases; Special Bulletins on ICAP Elections 2017: Candidate Profiles in TPA and the Newsletter; and support to Chartered Accountants Women's Committee (CAWC) and CAWC Publication Sub Committee.

ICAP Branding through Publication: Publication department makes special efforts to brand ICAP through its publications and activities like placement of standees at major ICAP events and offices.

Website: Besides uploading the Newsletter, The Pakistan Accountant and the Annual Report, Publication department covers and reports important ICAP conferences and events on the ICAP Website.

Small and Medium sized Practices (SMPs)

The Small and Medium sized Practices (SMPs) Committee is actively involved in assessing the problems of small and medium size CA firms in Pakistan



year at a glance

and trying to resolve them by bringing the matters to the attention of the Council and making appropriate recommendations for the same.

Capacity Building: Following on holding SMPs workshops in four cities on challenges, issues and opportunities for SMP firms, the Committee has approved the plan for holding capacity building workshops and seminars for SMP practitioners and students.

During the period under review, several issues concerning SMPs were discussed by the committee for which appropriate recommendations were made to other committees/Council, such as:

Audit software for SMPs: SMP Committee issued a survey for seeking interest of SMPs for acquiring audit software and collected data of interested firms. Currently, SMP Committee is in correspondence with vendors who have provided e-audit softwares to quite a few firms internationally so that a workable solution could be found for SMP.

Guidelines for implementation of ISQC 1: In order to bring efficiency and effectiveness in terms of Quality Control Systems in SMPs, the Committee is planning to hold seminars on:

- Effective implementations of ISQC 1; and
- Observation noted during Quality Control Review (QCR) visit.

Preparation of model financial statements for Small, Medium and Large sized Companies: In order to provide guidance to SMPs, the SMP Committee has recommended development of model financial statements for small, medium and large sized companies.

Peer Review: The Committee is deliberating the idea of forming the panel of volunteer members in major

students/members

cities of Pakistan to provide peer review services to SMPs. Any member of these panels can be approached for the purpose of review of accounts and/or audit report or for any other related matter to ensure quality and compliance with required regulatory framework without breaching the ethical principle of confidentiality.

Technical Web Help: To further facilitate our members, especially the Small and Medium Practices (SMPs), the Institute has approved a web-based service whereby members can send their technical queries pertaining to financial reporting, audit and ethics related matters. Technical Services department will respond to such queries within five working days of the enquiry date or the date by which further clarification is provided by the enquirer. Such service will be offered with certain caveats.

Overseas Chapters

The key role of the Overseas Coordination Committee (OCC), acting under the aegis of ICAP Council, is to improve interaction between ICAP and its members residing outside Pakistan and to promote participation of such members in the ICAP activities by providing them a platform to identify and address their issues and problems. Overseas members account for approximately 23% of overall membership.

At present Overseas Chapters are fully functioning in United Kingdom, Bahrain, Saudi Arabia, UAE and Canada whereas an interim management committee is in place in Qatar. Following are some of the highlights of the activities undertaken during the year:

A Management Committee of four members has been appointed in Qatar for a period of one year with prime task of doing ground work for the establishment of an Overseas Chapter. It also organised its inaugural



ICAP Annual Report 2017



year at a glance

networking event. Management committees for USA and Australia have also been formed.

The management committees for UAE, UK and Bahrain were elected in October 2016, March 2017 and May 2017 respectively, whereas election in KSA and Canada are scheduled in November 2017.

The Bahrain Chapter organised an event, Future Role of CFOs, and a family gala dinner for the members and their families.

The Canadian Chapter organised various events including: annual gala dinner; seminar in association with the Pakistani Professionals Forum (PPF) Canada, Royal Bank of Canada (RBC) and Rotman MBA Students on geopolitical environment impacting Canada, its businesses and people; and a joint information session with CPA Ontario to discuss the new admission requirements of the new MoU.

The KSA Chapter organised various events including: a CPD workshop on the Implementation of Value Added Tax - Introduction, Fundamentals and Key Industry Issues; CPD sessions jointly organised with the Pakistan Accountants Forum, Jeddah on How to improve Executive Presence and Interviewing Skills, Impact of IAS 19 - Employee Benefits on Saudi Accountancy Profession, and Staying Relevant in the face of FinTech Disruption; a workshop on IAS 19 - Actuarial Valuation for End-of-Service Benefits, the recent developments in corporate and legal framework of the GCC Region; a workshop on Implications of Deferred Tax under IAS 12 and Revised SOCPA Zakat Standard; a CPD event on IAS 34 - Interim Financial Statements and IFRS 1 - First time adoption of IFRS; a CPD workshop on Introduction and Salient Features of New Zakat Regulations; and **Fifth annual Saudi-Pak Accountancy Symposium with the theme, Vision 2030: Role of the Finance Profession.**

students/members

The UAE Chapter organised various events including: second annual ICAP CFO Conference Middle East 2016 in collaboration with ICAP and the International Federation of Accountants (IFAC); CPD event on VAT in UAE and its impact on Business and IFRS 15 - Revenue from Contracts with Customers; annual family gala dinner; inaugural Cricket Tournament; and Family Reunion organised by ICAP Abu Dhabi Committee of the Overseas Chapter of ICAP Members in UAE.

The UK Chapter organised its annual gala dinner in London which was attended by the ICAP office bearers along with the Council members.

Deceased Members

During the year some of our members left us. The Institute shares the loss and deeply empathises with the pain of the families of the following departed members:

1. Shamim Ahmed Syed (R-No. 0095); 2. Sajjad Haider (R-No. 0109); 3. Fida Ali Adeeb (R-No. 0276); 4. M.F. Zaman Qureshi (R-No. 0504); 5. Ziauddin Babri (R-No. 0554); 6. Usman Ghani Akbani (R-No. 0750); 7. Farhat Hussain Khan (R-No. 0838); 8. Khadim Hussain (R-No. 0860); 9. Arshad Saeed Sheikh (R-No. 0985); 10. Shaikh Jalaluddin (R-No. 1105); 11. Syed Mohammad Husain (R-No. 1619); 12. Mohammad Hanif (R-No. 1939); and 13. Muhammad Usman (R-No. 6312).



operational activities

Investigations

The Investigation Committee (the Committee) of the Institute is a fact finding body which scrutinises complaints and after detailed review and analysis provides its recommendations to the Council for decision. The Committee continued in its efforts to expedite disposal of cases referred to it.

During the year ended June 30, 2017, five meetings of the Committee were held. The Committee after active deliberations and review of the merits of complaints, finalised its conclusions on sixty cases during the year. Out of these sixty, forty-two cases were dropped by the Committee as in its opinion those cases did not require investigation and eighteen were finalised for referring to the Council for decision. The Council disposed off eighteen cases during the year, out of which six were closed whereas action was taken on twelve cases.

A summary of the cases received and disposed off during the year is as follows:

Cases at the beginning of the year	93
Complaints received during the year	53
Cases disposed off during the year	(60)
Cases under review at the end of the year	86

Cases under review of the Investigation Committee	71
Cases under review of the Council	15
	86

Members Penalised & Warned/Reprimanded with/ without Name	11
Removal of name	1
Cases Closed	6
Total cases decided by Council	18

Cases dropped by Investigation Committee	42
Total cases disposed off during the year	60

Aging analysis of cases pending as at June 30, 2017	
2017	32
2016	26
2015	7
Before 2015	21

In order to bring improvements in terms of efficiency and effectiveness of the investigative process,

amendments in the CA Ordinance have been finalised by the Council and onward submitted to the concerned authorities.

In addition to the above, the second annual report of the Investigation Committee was prepared for the period from January 1, 2016 to December 31, 2016 and circulated to members.

Human Resource Management

The focus of Human Resource Management at ICAP is to recruit, develop and retain the best talent. ICAP recognises its human capital as a core part of its business sustainability and growth. The human capital function promotes a safe and conducive environment for the development of employees, which creates commitment and increases productivity. ICAP recognises that in order to retain its workforce hiring, retention and training of talented employees is an imperative and continuous process.

Recruitment of Executive Team at ICAP: This year the Council focused in building its executive team at the Institute. The new chief operating officer & secretary joined ICAP in February 2017. With the restructuring of Education & Training department, two new positions were created, and executive director Education & Training and deputy director Education & Training were taken on board. Similarly, director Technical Services and director Information Technology also joined ICAP. Upon completion and on boarding of the new executive team, ICAP will devise its strategic objectives for the next five years. Hiring of a deputy director Marketing is in process, and will be based at ICAP's Head Office in Karachi.

Equal Opportunity Employer: ICAP has been on the forefront of advocating equal opportunities, including alleviation of gender discrimination, a principle that is instilled in ICAP's human capital strategy. 22% of workforce is women and ICAP is proud that five out of 11 head of departments are women.

ICAP as an employer has always encouraged people with special needs and currently employed 2% of total employee population and is making a significant difference in the quality of life of individuals with special needs.

Learning and Development: People development is the focal point of HR activities and involves continuous



operational activities

efforts to develop the skills of the employees at all levels. ICAP places great emphasis on meeting organisational training and development objectives. A comprehensive Training Need Analysis (TNA) taking in account factors such as appraisals, experience, past training records and futuristic needs of ICAP, is conducted annually in order to identify the training needs of each employee vis-à-vis departmental and organisational objectives. TNA enables HR to create and conduct training programs relevant to each employee.

Introduction of Online Performance Evaluation System and Comprehensive Promotion Policy: This year a new performance online evaluation was introduced. The new chief operating officer & secretary Abdul Malik revised the promotion policy, and a transparent promotion policy was approved by the Council in its 285th meeting held on April 7-8, 2017.

Internship Policy: A comprehensive Internship Policy was devised for the undergraduate and postgraduate students of the Higher Education Commission (HEC) recognised universities of Pakistan for the duration of six to eight weeks. The aim of the policy is to provide the students on-job experience bridging the gap between theoretical and practical work. Upon successful completion, the certificates were given to them for their record and encouragement.

Information Technology

The Information Technology (IT) department is committed to modernising, unlocking, and innovating to improve IT infrastructure and service delivery of the Institute. The department provides strategic IT vision, leadership, and enterprise solutions to the stakeholders so they can meet their goals, deliver results, and enhance the Institute's position within the country and abroad.

IT provides effective operational and enablement services to our stakeholders – including students, members, and staff – through effective utilisation of people, infrastructure, software applications and new technologies. IT department participates in the overall development of the Institute's technology and communication infrastructure.

Some salient features of IT's achievements during the reporting period are:

- IT conducted 31 surveys for Marketing and Communication, Quality Assurance, Membership,

Education and Training departments focusing on identification of areas for improvement in services to members and students.

- Initiative to change and upgrade the service provider of the website for seamless availability of the official website.
- Introduction of online payment transactions through Telenor EasyPaisa that enable students and members to have additional secured windows for the processing of their payments.
- Mobile applications for both Android and iOS operating systems have been deployed on both Google Play Store and Apple Store for members and students.
- Digital Partner in the CFO Conference 2017. In order to keep up with the state of the art technologies, a Man-less Registration System integrated with the fully automated vending machine was developed and deployed at the Conferences held at Karachi and Islamabad.

Live streaming of CFO Conference 2017 and NFO 2016 was also managed by the IT department, a challenging task carried out successfully. Additionally, provision for the live Q&A facility through Skype was also made available throughout the Conference.

The Conference was attended by 900 plus participants at Karachi and more than 350 participants at Islamabad.



acknowledgement

The Council would like to:

- place on record its sincere gratitude to all members in general and those who served in various committees of the Institute in particular for their support, dedication and help they extended in policy formation and technical matters.
- thank the Federal government, Federal Finance Ministry, the Securities & Exchange Commission of Pakistan, the Federal Board of Revenue, the State Bank of Pakistan, Auditor General of Pakistan Office, Pakistan Stock Exchange and other government organisations for their continued support in promoting professional cause and public interest.
- express its appreciation for the work done by Syed Aftab Hameed and Qasim Ebrahim Causer in their capacity as the auditors of the Institute.
- gratefully acknowledge the active role played by Audit Committee, Quality Assurance Board and Benevolent Fund Management Committee in their respective areas.
- acknowledge the contributions made by the respective Regional Committees and Managing Committees of ICAP Members' Overseas Chapters in strengthening the image of the Institute and for their whole-hearted support.

The Council would also like to take this opportunity to express its appreciation to the Institute's management team and staff for their continuous hard work and dedication and for helping the Council in discharging its responsibilities.

By the order of the Council.

Abdul Malik, FCA

Chief Operating Officer & Secretary

Karachi, August 26, 2017



other reports

Audit Committee Report

Audit Committee is pleased to present this report for the financial year ended June 30, 2017.

The Audit Committee of the Institute was constituted with an aim to assist the Council in fulfilling its oversight responsibilities towards the integrity of the Institute's financial statements, effectiveness of the system of internal controls, risk management process and effectiveness of internal and external audit processes.

The Audit Committee comprised five members. Three of these members are non-Council members including the chairman who is a past president of the Institute.

The Committee met five times during the year ended June 30, 2017. Summary reports of its proceedings and activities along with the minutes of its meetings were provided to the Council.

Besides head of Internal Audit who also acts as the secretary of the Audit Committee, other executives of the Institute and external auditors attend the Committee meetings by invitation only.

The internal and external auditors have unrestricted access to the Audit Committee throughout the year.

The Audit Committee has regulated its affairs and discharged its responsibilities as per its Terms of Reference (ToR) which are available on the Institute's website.

During the year Audit Committee has:

i. Reviewed the interim and annual financial statements of the Institute. The Audit Committee, during the review of financial statements, obtained feedback from the chief operating officer & secretary, CFO, external and internal auditors.

Based on the understanding of the financial reporting process, presentations and reports of the management and assurance obtained from the auditors, the Audit Committee believes that the financial statements have been presented fairly in compliance with the applicable regulations and Accounting and Financial Reporting Standards.

The Committee, on the basis of conclusions drawn, has recommended the financial statements, for approval, to the Council.

ii. Evaluated the effectiveness of internal controls and risk management process. Significant areas reviewed by the Audit Committee included IT governance and

general controls including alignment of IT strategy with the overall business strategy and human resources rationalisation.

iii. Approved annual work plan of Internal Audit and reviewed the resulting output from the plan including adequacy and timeliness of the reports and findings and management response thereto. The Committee escalated the significant findings to the Council to improve controls and compliance in areas where weaknesses were identified.

iv. Assessed the quality, effectiveness and independence of the external auditors. From the financial year ended June 30, 2017, a formal process for performance evaluation of the external auditors has been initiated whereby the external auditors are evaluated based on the attributes such as fulfillment of the agreed audit plan, technical excellence, team structure, quality control, independence, audit approach and communication of the results.

Based on the evaluation, the Committee is satisfied with the performance of external auditors and has recommended to the Council the reappointment of Qasim E. Causer and Syed Aftab Hameed as external auditors of the Institute for the year ending June 30, 2018.

v. Monitored the effectiveness and compliance of Whistle Blowing Policy which was introduced in March 2014 (updated in June 2015). All the complaints and actions taken by the management are reviewed/ considered by the Audit Committee on a quarterly basis and reported to the Council.

vi. Introduced a formal process whereby chairman Audit Committee meets with the ICAP president at least once in a year. Two such meetings have been held which focused on the matters, such as, governance, compliance, risk assessment and internal control systems.

Through this process, the Committee expects improvement in the overall governance, compliance and internal controls structure of the Institute.

The Audit Committee takes this opportunity to place on record its gratitude to the management of the Institute for supporting the Committee in effective discharge of its responsibilities.

Rashid Rehman Mir, FCA
Chairman Audit Committee



other reports

Quality Assurance Board Report

I am pleased to present the report of the Quality Assurance Board (QAB) for the year 2017. Audit is the cornerstone of market confidence in the reliability of the financial information with which business decisions are made. A strong system of quality control addresses leadership responsibilities for quality within the firm, compliance with relevant ethical requirements, acceptance and continuance of client relationships and specific engagements and human resources engagement. QAB with the assistance of Quality Assurance Department (QAD) has been continuously striving to improve quality of audit and assurance service in Pakistan.

The most significant development the audit profession witnessed during this period was the establishment of Audit Oversight Board (AOB). Both the Institute and Securities & Exchange Commission of Pakistan (SECP) jointly felt the need for this and after detailed deliberation with stakeholders, AOB was established through amendments to the SECP Act, 1997. Salient features of AOB have been discussed in QAB 2016 Report issued in May 2017.

Though the quality of audit has improved since the Quality Control Review (QCR) program commenced, still there are areas of audit where firms require more serious attention which are covered separately in a detailed QAB report.

I am of the firm view that effective QCR cannot be conducted without robust tools and resources and toward this end the Board, during the period under review, developed criteria for assigning weightages to various observations which are noted during QCR. This would reduce subjectivity, enhance transparency and improve the QCR process. In addition, significant improvement was brought in the QCR checklist which is used by the reviewer for conducting QCR.

QCR of Audit Engagements: During the period from July 1, 2016 to May 19, 2017, reviews of 46 firms took place. This entailed 144 audit engagements at 58 office locations spread over Karachi, Lahore, Islamabad, Rawalpindi, Peshawar, Faisalabad, Multan and Hyderabad as compared to 51 firms last year involving 228 audit engagements at 88 office locations.

Out of 46 audit firms reviewed during the period, conclusions of 43 firms were 'satisfactory' while the

conclusions of three firms were 'unsatisfactory.' QCR Reports of 31 firms are yet to be presented to QAB for their review. As on May 19, 2017, 114 firms were listed on the Institute's website, having satisfactory QCR rating.

During the year, 16 new firms offered their audit working paper files for review and the QCR conclusions of 14 firms were 'satisfactory' while the conclusions of two firms were 'unsatisfactory.'

Firms' Review under ISQC-1: In addition to engagement review, overall quality of firms is also reviewed under ISQC-1 so that a robust system of quality control could be established with respect to leadership responsibilities for quality within the firm, compliance with relevant ethical requirements, acceptance and continuance of client relationships and specific engagements, human resources and monitoring.

During the period, 44 firms were reviewed under ISQC-1.

QAB Report 2016: The fifth report of QAB was issued in May 2017 covering frequent significant findings noted during various QCR visits in the year 2015-16. The sixth annual report of QAB is under process and is expected to be issued in next couple of months.

Concluding Remarks

I would like to extend my sincerest thanks and appreciation to the firms especially those who voluntarily offered their firms for QCR. I would also like to thank our Board members for their valuable time and active participation in the meetings of the Board and various Review Committees. My special thanks to the QAD team for their technical and administrative support without which smooth running of QAB meetings could not have been possible.

Sohail Hasan, FCA
Chairman Quality Assurance Board



other reports

Benevolent Fund Report

ICAP Benevolent Fund (The Fund), established in 1972, is an important and independent function of ICAP. The affairs of the Fund are managed by an independent committee constituted by the chairman of the Fund who is nominated by the Council of the ICAP each year. The Fund was established with a purpose to provide financial assistance and grants to financially distressed members as well as families of the deceased members to enable them to have a respectable living, support education of their dependent children, marriage of their daughters and to meet their medical needs. The Fund has been undertaking this function with commitment and sincerity of purpose since inception.

In addition to meeting its sacred obligation of identifying the deserving families and providing financial grants, the Fund also undertakes special projects for the benefit of the members. A brief account of the performance of the Fund during financial year 2016-17 appears below:

Financial Assistance: During the year, the Fund extended financial assistance of Rs. 21.46 million to twenty-nine families including six living members. The amount includes Rs. 3 million paid to two critically ill members as one-time assistance. Financial assistance of the preceding year amounted to Rs. 16.04 million provided to twenty-eight families including five living members. Average monthly assistance per family amounted to Rs. 56,435 during the year in comparison with Rs. 47,738 per family per month in the preceding year.

Group term life insurance scheme: The scheme provides term life insurance cover upto the age of 65 years against a premium of Rs. 3.37 per thousand rupees sum insured for age below 60 years and Rs. 4.00 per thousand rupees sum insured for age 60-65 years. Coverage to 65-69 years is subject to underwriting after submission of health questionnaire and medical examination. 445 members (including nine employees) of the Institute joined the scheme during the term. 399 participants (including eight employees) got enrolled in the policy during the preceding term. One claim of Rs. 2 million was reported and paid during the previous term.

During the year, surplus of Rs. 2.6 million was returned by the insurers as profit share of the term 2015-16. Out of 399 participants, 238 members donated their share amounting to Rs. 1.4 million to the Benevolent Fund.

The Committee is grateful to the members for their generosity.

Despite raising sum insured and free cover limit from Rs. 8 million to Rs. 10 million, the Committee has negotiated the same rates of premium for the term 2017-18. Participation in the scheme is not compulsory, however, members are encouraged to obtain the cover for protection of their family in case of unexpected events.

Group health care scheme: Health insurance policy was renewed with Habib Insurance Co. Ltd. for offering the lowest premium rates and comparatively better terms. Net enrollment in health insurance scheme at the close of financial year was recorded at 1875 participants as compared to 1730 persons enrolled during the previous term. Claims in excess of Rs. 20 million were settled by the insurers against overall premium of Rs. 18.00 million as compared to a premium of Rs. 13.617 million in the preceding year.

Renewal of the policy was done in August 2017. Details of renewed policy was circulated to members and posted at the website of the Institute.

Acknowledgement

The Committee gratefully acknowledges the contribution approved by the Council, which include special grant of Rs. 2 million for two critically ill members and annual grant of Rs. 1 million for the reporting year.

The Committee would also like to thank the members, management and staff of the Institute for their continued co-operation and support.

I thankfully appreciate the continued dedicated support of my Committee colleagues.

Imran Afzal, FCA
Chairman Benevolent Fund



other reports

Southern Regional Committee Report

The Southern Regional Committee (SRC) of ICAP is responsible to provide its members with a platform for Continuing Professional Development (CPD) for professional updates and enhancement of soft skills, management of the library and coordination with Chartered Accountants Students' Association (CASA-South).

On behalf of the SRC, I am pleased to apprise you that the current year included numerous CPD activities and also two social events for the members.

CPD Activities: This year, SRC organised 18 seminars, workshops and webinars spread over 81.5 CPD hours, covering various subjects such as Power Sector Challenge, Offshore Assets, Taxation, Start-ups, Fraud Risk Assessment, IFRS, Microsoft Excel etc. The programs were attended primarily by members and also non-members.

Social Events: Over the years, SRC has been providing social platforms for its members and their families to ensure work-life balance. The annual dinner, the only-members social networking event was organised in November 2016 and attended by 750 members, ranging from senior professionals to the recently qualified chartered accountants. A headline social event was the annual family get together which was organised in January 2017 at Chunky Monkey and was well received by the members.

Certificates' Distribution Ceremony: The bi-annual Certificates' Distribution Ceremonies for the newly qualified chartered accountants were also organised under the aegis of SRC with the themes: Imagine. Believe. Achieve and Success is a journey, not a Destination, in November 2016 and April 2017 respectively.

Chartered Accountants Students' Association, South (CASA-S): In addition to catering for the CPD requirements of members, SRC also oversee the affairs of the CASA-S and the student libraries. Mentoring and guidance is provided to the elected members and opportunities for learning and development are created for the student body.

Exam-based seminars and workshops were organised for the finalists to provide them with an opportunity for better revision and examination techniques. New

books and magazines were also added to the library for the benefit of the students.

Finance and Accounts: The financial statements reflect a surplus of Rs. 1.45 million for the current year. During the year an amount of Rs. 3.16 million was received from ICAP on account of members' subscription fee. Rs. 10.30 million was collected from members for CPD activities. Rs. 8.56 million was spent on CPD activities. Rs. 2.11 million was spent on social events.

Acknowledgement

On behalf of SRC, I would like to thank the current president, past presidents, Council members and fellow members for their guidance, support and patronage. We are also thankful to the ICAP management and the team at SRC office for the support provided by them to SRC.

Abdul Rab, FCA

Chairman Southern Regional Committee (SRC)



other reports

Northern Regional Committee Report

I am pleased to report to my fraternity that this has been an exceptional year of Northern Regional Committee as we made significant improvements in Continuous Professional Development (CPD) programs through strengthening of E-Learning, initiation of webinars by foreign accredited speakers, initiation of online CPD portal, offering more than 260 CPD hours to membership in North. Another hallmark of this year was achieved by holding family get together at all stations in North and also holding, first ever, cricket tournament for members of Multan.

CPD Activities: The core responsibility of NRC is to conduct trainings for CPD of ICAP members.

Webinars & E-Learning: I feel honoured to share that ICAP NRC has taken a new initiative to launch an interactive website (<http://icap.knowledgenow.info>) facilitating our members to abreast themselves with the global best practices by watching recorded versions of our webinars from a repository of systematically available archives enabling them to instantly earn CPD hours and interact with world class speakers from the top Ivy League schools.

Online CPD Portal: NRC has initiated a new online CPD portal where members can now obtain CPD hours by watching online CPD activities which were held by NRC. In future, NRC plans to hold live CPD activities through this portal. This would enable members a new and an effective way of getting CPD at minimum cost.

Other CPD Activities: Various CPD activities were held in Lahore, Islamabad, Peshawar, Faisalabad and Multan. Accomplished trainers were invited to conduct full day workshops, trainings and certification courses. Pre and Post Budget Seminars were held at all stations in North to showcase ICAP's Budget Proposals. NRC also arranged activities for members during the year like SAP Certification course, Chinese Language Learning course, IFRS & IAS course, and Financial Modeling course.

CA Gold Medal Ceremony 2017: NRC successfully organised the Gold Medal and Certificate Distribution Ceremony of ICAP which was attended by more than 1000 people.

Recreational Activities: NRC organised family get togethers and other entertainment programs during

the year. NRC organised a members' family get together for first time covering all major stations including Lahore, Islamabad, Multan, Faisalabad, Gujranwala and Peshawar. This year a cricket tournament was also organised at Multan.

MoU: NRC entered into MoU with Knowledge Now (KN) to provide services of executive education, digital solutions, strategy and research development for ICAP members on a 30% discount.

Another MoU was signed with NShield Solutions (eco-friendly protection). NShield Solutions provides NRC members and ICAP employees a premier surface protection services by Nano technology based ceramic coating products. Through this understanding, NRC members and ICAP employees would now enjoy a 20% special discount on all Ceramic Glass Coating Services on their cars.

Libraries: NRC manages and operates libraries in various cities of the country in order to satisfy the needs of the members and students. NRC provided books to all libraries in the North. Rules for usage of libraries in Lahore, Islamabad, Faisalabad, Peshawar, Gujranwala and Mirpur were developed and enforced at respective locations.

Chartered Accountants Student Association (CASA-N): NRC promotes professional nurturing of CA students. CASA-N organised CASA Cricket Tournament this year. This tournament was held for the first time in Faisalabad apart from Peshawar, Islamabad and Lahore. CASA-N Committee also arranged, for the first time, table tennis and chess tournament at Islamabad, Faisalabad, Peshawar and Lahore.

Finance and Accounts: During the year Rs. 2.4 million was received from ICAP on account of members' subscription fee. The reason for loss is due to the fact that we have provided substantial concessions to members by charging less than actual costs of CPD events, family get together and cricket tournaments. The introduction of webinars and involvement of foreign speakers have also contributed to more deficit in the current year.

CA Toastmasters Islamabad: NRC, with senior members in Rawalpindi/Islamabad, played an important role in setting up CA Toastmasters club at Islamabad to nourish the soft skills of the young CAs.



other reports

Acknowledgement

I would like to express my sincere gratitude and thanks to all the members, particularly those who served on various committees, and those who extended support in carrying out activities through the year. I am thankful to all NRC office bearers for their time and effort. I would also like to thank CASA management committee, members and chairs of CPD committees at all North stations and chairs of Library committees of various cities.

I would like to show my gratitude to the ICAP president, vice presidents, Council members, past presidents of ICAP and the entire ICAP management for their valuable guidance and support for the smooth running of NRC affairs.

Sajjad Hussain Gill, FCA

Chairman Northern Regional Committee (NRC)



annexure a: council attendance

Council

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (14)		Meetings Held (9)	
Name	Attended	Name	Attended
Nadeem Yousuf Adil, FCA (chairman)	14	Hafiz Mohammad Yousaf, FCA (chairman)	9
Dr. Waqar Masood Khan*	6	Dr. Waqar Masood Khan*	0
Dr. Muhammad Irshad*	0	Farrukh Rehman, FCA	8
Farrukh Rehman, FCA	14	Hidayat Ali, FCA	8
Hafiz Mohammad Yousaf, FCA	6	Khalilullah Shaikh, FCA	6
Hidayat Ali, FCA	13	M. Sharif Tabani, FCA	9
Khalilullah Shaikh, FCA	13	Mohammad Abdullah Yusuf, FCA*	8
M. Sharif Tabani, FCA	13	Mohammad Maqbool, FCA	9
Mohammad Abdullah Yusuf, FCA*	10	Muhammad Zafar-Ul-Haq Hijazi*	3
Mohammad Maqbool, FCA	14	Nadeem Yousuf Adil, FCA	9
Muhammad Zafar-Ul-Haq Hijazi*	0	Naeem Akhtar Sheikh, FCA	9
Naeem Akhtar Sheikh, FCA	13	Nazir Ahmad Chaudhri, FCA	6
Nazir Ahmad Chaudhri, FCA	12	Nisar Muhammad Khan*	0
Nisar Muhammad Khan*	0	Rashid Ibrahim, FCA	8
Rashid Ibrahim, FCA	14	Riaz A. Rehman Chamdia, FCA	9
Riaz A. Rehman Chamdia, FCA	11	Sarmad Ahmad Khan, FCA	9
Sarmad Ahmad Khan, FCA	12	Syed Najmul Hussain, FCA	8
Syed Najmul Hussain, FCA	13	Usman Ghani Akbani, FCA	6
Tariq Mahmood Pasha*	0	Yacoob Suttar, FCA	2
Usman Ghani Akbani, FCA	1		
Yacoob Suttar, FCA	6		
*Government Nominee			
Tariq Mahmood Pasha: joined from July 27, 2017			
Dr. Irshad: joined from January 25, 2017			
Nisar Muhammad Khan: remained till January 11, 2017			
Usman Ghani Akbani: remained till July 8, 2017			



annexure b: lists of committee attendance

Executive Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (7)		Meetings Held (4)	
Name	Attended	Name	Attended
Nadeem Yousuf Adil, FCA (chairman)	7	Hafiz Mohammad Yousaf, FCA (chairman)	4
Farrukh Rehman, FCA	7	Hidayat Ali, FCA	3
Hafiz Mohammad Yousaf, FCA	1	Khalilullah Shaikh, FCA	2
Hidayat Ali, FCA	7	M. Sharif Tabani, FCA	4
Khalilullah Shaikh, FCA	7	Mohammad Maqbool, FCA	4
M. Sharif Tabani, FCA	7	Nadeem Yousuf Adil, FCA	4
Nazir Ahmad Chaudhri, FCA	7	Naeem Akhtar Sheikh, FCA	3
Rashid Ibrahim, FCA	7	Sarmad Ahmad Khan, FCA	4
Sarmad Ahmad Khan, FCA	7	Syed Najmul Hussain, FCA	3
Yacoob Suttar, FCA	0	Yacoob Suttar, FCA	0

Examination Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (7)		Meetings Held (7)	
Name	Attended	Name	Attended
Nazir Ahmed Chaudhri, FCA (chairman)	5	Nadeem Yousuf Adil, FCA (chairman)	7
Farrukh Rehman, FCA	7	Farrukh Rehman, FCA	7
Naeem Akhtar Sheikh, FCA	1	Naeem Akhtar Sheikh, FCA	1
Rashid Ibrahim, FCA	1	Rashid Ibrahim, FCA	3
Riaz A Rehman Chamdia, FCA	6	Riaz A Rehman Chamdia, FCA	6
Syed Najmul Hussain, FCA	6	Syed Najmul Hussain, FCA	5
Usman Ghani Akbani, FCA	0	Usman Ghani Akbani, FCA	4
Yacoob Suttar, FCA	0	Yacoob Suttar, FCA	0

As per tradition, the president does not attend the meetings of the Examination Committee and vice president (South) chairs the meetings of the committee.



Investigation Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (4)		Meetings Held (4)	
Name	Attended	Name	Attended
Khalilullah Shaikh, FCA (chairman)	4	Hidayat Ali, FCA (chairman)	3
Farrukh Rehman, FCA	4	Farrukh Rehman, FCA	3
Imran Afzal, FCA	4	Imran Afzal, FCA	4
Jalil-Ur-Rehman Tarin, FCA	3	Jalil-Ur-Rehman Tarin, FCA	3
Justice Ahmad Sarwana	4	Justice Ahmad Sarwana	4
M.Z. Moin Mohajir, FCA	4	M.Z. Moin Mohajir, FCA	3
Mohammad Maqbool, FCA	3	Nazir Ahmad Chaudhri, FCA	3
Rashid Ibrahim, FCA	3	Rashid Ibrahim, FCA	3
Riaz A. Rehman Chamdia, FCA	4	Riaz A. Rehman Chamdia, FCA	4

As per tradition, the president does not attend the meetings of Investigation Committee and vice president chairs the meetings of the committee

Audit Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (5)		Meetings Held (5)	
Name	Attended	Name	Attended
Rashid Rehman Mir, FCA (chairman)	5	Rashid Rehman Mir, FCA (chairman)	5
Aftab Ahmad Khan, FCA	3	Aftab Ahmad Khan, FCA	1
Farrukh Rehman, FCA	5	Farrukh Rehman, FCA	5
Mohammad Maqbool, FCA*	2	Nazir Ahmed Chaudhri, FCA	3
Rana Ahmed Humayun, FCA	4	Rana Ahmed Humayun, FCA	4
*Joined in November 2016			



Quality Assurance Board (QAB)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (6)		Meetings Held (10)	
Name	Attended	Name	Attended
Sohail Hasan, FCA (chairman)	6	Sohail Hasan, FCA (chairman)	10
Ahmed Ali Mitha, FCA***	4	Ahmed Ali Mitha, FCA***	2
Ali Azeem Ikram, FCA*	2	Ali Azeem Ikram, FCA*	6
Amer Aziz**	2	Amer Aziz**	3
Ayaz Ahmed, FCA	5	Ayaz Ahmed, FCA	6
Etrat H. Rizvi*	2	Etrat H. Rizvi*	6
Mohammad Almas, FCA	5	Mohammad Almas, FCA	9
Mohammad Naeem, FCA*	2	Mohammad Naeem, FCA*	7
Muhammad Lukman, FCA*	2	Muhammad Lukman, FCA*	4
Syed Ahmed Abid, FCA	4	Syed Ahmed Abid, FCA	8
Zulfikar Ali Causer, FCA	6	Zulfikar Ali Causer, FCA	10
Teizoon Kisat, FCA*	2		
* Nominee SECP ** Nominee SBP *** Nominee KSE Mohammad Naeem: Resigned w.e.f January 11, 2017 Teizoon Kisat: Appointed w.e.f February 7, 2017			



Small and Medium Practices Committee (SMP)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (5)		Meetings Held (2)	
Name	Attended	Name	Attended
Mohammad Maqbool, FCA (chairman)	5	Nazir Ahmad Chaudhri, FCA	2
Aamer Waqar Chaudhry, FCA	1	Arsalan Salauddin Vardag, FCA	1
Agha Mujeeb Ahmed Khan, FCA	5	Farrukh Viqaruddin Junaidy, FCA	1
Arsalan Salahuddin Vardag, FCA	0	Kausar Ali Fecto, FCA	2
Farrukh Viqaruddin Junaidy, FCA	0	Khan Mohammad, FCA	2
Haroon Sulaman, FCA	1	Laeq Ahmed Rana, FCA	2
Hina Usmani, FCA	3	Masoom Akhtar, FCA	1
Kausar Ali Fecto, FCA	3	Mohammad Maqbool, FCA	1
Khan Mohammad, FCA	4	Mohsin Nadeem, FCA	1
Laeq Ahmed Rana, FCA	0	Muhammad Faheem, FCA	2
Mohsin Nadeem, FCA	2	Muhammad Jawwad Shekha, FCA	1
Muhammad Fahim, FCA	4	Najeeb Taher Moochhala, FCA	1
Muhammad Jawwad Shekha, FCA	3	Osman Hameed Chaudhary, FCA	2
Najeeb Taher Moochhala, FCA	3	Shahid Hussain, FCA	1
Osman Hameed Chaudhri, FCA	3	Shaukat Amin Shah, FCA	0
Shahid Hussain, FCA	3	Syed Mohammad Rehan, FCA	1
Shahid Mohsin Shaikh, FCA	1	Usman Ghani Akbani, FCA	1
Syed Mohammad Rehan, FCA	2	Zafar Iqbal, FCA	1
Usman Ghani Akbani, FCA	0	Zahid Noor Siddique, ACA	2
Zafar Iqbal, FCA	1		
Zahid Noor Siddique, ACA	4		



Education and Training Committee (ETCOM)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (6)		Meetings Held (6)	
Name	Attended	Name	Attended
Syed Najmul Hussain, FCA (chairman)	6	Syed Najmul Hussain, FCA (chairman)	5
Abdul Basit, FCA	2	Abdul Basit, FCA	5
Abdul Khaliq Daudpota	0	Abdul Qadeer, FCA	3
Abdul Rafay Siddique, FCA	2	Abdul Rafay Siddique, FCA	5
Amyn Malik, ACA	2	Ali Raza, FCA	1
Iftikhar Taj, FCA	1	Iftikhar Taj, FCA	2
Imran Jalil, FCA	3	Jafar Hussain, FCA	6
Jafar Husain, FCA	5	Khurram Muhammad Siddiqui	0
M. Sharif Tabani, FCA	4	Laeq Ahmed Rana, FCA	2
Mohammad Maqbool, FCA	6	M. Sharif Tabani, FCA	6
Muhammad Sajid Hamid Kapadia, ACA	3	Mohammad Maqbool, FCA	5
Mushtaq Ali Hirani, FCA	4	Muhammad Sajid Hamid Kapadia, ACA	5
Nazir Ahmad Chaudhri, FCA	0	Muhammad Usman Tahir Farooqi, FCA	4
Riaz A. Rehman Chamdia, FCA	0	Nabiha Shahnawaz Cheema, FCA	1
Sajid Hussain, FCA	6	Saima Iqbal	0
Syed Fahim ul Hassan, FCA	5	Sajid Hussain, FCA	5
		Shabbir Yunus	1
		Syed Fahim ul Hassan, FCA	4
		Syed Mazher Iqbal	2



Professional Accountants in Business Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (3)	
Name	Attended	Name	Attended
Khalilullah Shaikh, FCA (chairman)	2	Khalilullah Shaikh, FCA (chairman)	3
Aamir Rasheed Rashid, ACA	1	Aamir Rasheed Rashid, ACA	1
Abdul Basit, FCA	2	Abdul Basit, FCA	3
Ahsan Rasheed, ACA	1	Ali Raza, FCA	1
Ali Noshad, ACA	0	Faisal Nadeem, FCA	0
Amir Waheed Ahmed, FCA	0	Faizan Farooq, ACA	2
Asif Raza, FCA	0	Huma Pasha, FCA	2
Faizan Farooq, ACA	2	M. Sharif Tabani, FCA	3
Muhammad Amir Afzal Rana, FCA	2	Mansoor Ali, FCA	0
Muhammad Kashan Mansoori, ACA	2	Muhammad Amir Afzal Rana, FCA	2
Muhammad Naeem Ghouri, FCA	2	Muhammad Rabnawaz Anjum, ACA	1
Muhammad Nasir, ACA	0	Muhammad Rashid Dastagir, FCA	2
Muhammad Rabnawaz Anjum, ACA	1	Muhammad Sajid Hamid Kapadia, ACA	3
Muhammad Rashid Dastagir, FCA	2	Muhammad Samiullah Siddiqui, FCA	2
Muhammad Sajid Hamid Kapadia, ACA	1	Murtaza Abbas Mooman, FCA	2
Muhammad Samiullah Siddiqui, FCA	2	Naveed Iqbal, ACA	2
Muhammad Tariq Moin, FCA	2	Pervez Ismail, FCA	2
Muhammad Umar Zuberi, FCA	1	Saad Usman, FCA	2
Muhammad Usman, ACA	0	Shahid Jamal Kazi, FCA	2
Muhammad Waqas Tariq, ACA	1	Shakaib Arif, FCA	2
Muhammad Yasir Khan Ghouri, ACA	0	Shaukat Hussain, FCA	2
Muhammad Zaid, FCA	1	Shoaib Ahmed, FCA	0
Munir Muhammad Shafi, ACA	2	Syed Moinuddin, FCA	3
Murtaza Abbas Mooman, FCA	1	Syed Muhammad Mansoor Ali, FCA	0
Pervez Ismail, FCA	2	Umair Ali Bhatti, ACA	2
Saad Usman, FCA	2	Umer Tufail, ACA	1
Shahid Jamal Kazi, FCA	1	Usama Rashid, FCA	2
Shakaib Arif, FCA	2	Usman Ahsan, ACA	1



2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (3)	
Name	Attended	Name	Attended
Shaukat Hussain, ACA	2	Vineet Kumar, ACA	1
Shoaib Ahmed, FCA	0	Zain Rashid, ACA*	0
Syed Farhan Ahmed, FCA	1	Observer	
Syed Mehran Munawar, ACA	2	Khurram Muhammad Siddiqui	0
Syed Moinuddin, FCA	2	Muhammad Naeem Ghouri, FCA	1
Syed Shahid Hussain Jafri, FCA	0	Shezad Patel, ACA	2
Umair Ali Bhatti, ACA	1	Waqas Latif, ACA	1
Usama Rashid, FCA	1		
* Opted out of the committee			

Continuing Professional Development Committee (CPD)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (2)	
Name	Attended	Name	Attended
M. Sharif Tabani, FCA (chairman)	2	M. Sharif Tabani, FCA (chairman)	2
Abdul Rahim Suriya, FCA	0	Rashid Ibrahim, FCA	1
Anam Nadia Rahman, ACA	1	Abdul Rahim Suriya, FCA	1
Asad Feroze, FCA	1	Anam Nadia Rahman, ACA	2
Dr. Zeeshan Ahmed	1	Arslan Khalid, FCA	0
Jehan Zeb Amin, FCA	1	Asad Feroze, FCA	2
Mohammad Zulfikar Akhtar, FCA	0	Huma Pasha, FCA	2
Moneeza Usman Butt, FCA	1	Jehan Zeb Amin, FCA	2
Muhammad Ali Latif, FCA	1	Muhammad Ali Latif, FCA	1
Muhammad Zaid, FCA	1	Syed Fahim ul Hassan, FCA	2
Naseer Ahmed, ACA	2	Zeeshan Shahid, ACA	2
Sarmad Ahmad Khan, FCA	1		
Shabbir Younus, FCA	0		
Syed Fahim ul Hassan, FCA	2		
Zeeshan Shahid, ACA	0		



Accounting Standards Board (ASB)

2016-2017 from September 1, 2016 to August 15, 2017	
Meetings Held (4)	
Name	Attended
Farrukh Rehman, FCA (chairman)	4
Aftab Mahmood Butt, FCA	2
Akhthar Javed	0
Ali Azeem Ikram, FCA	3
Asad Ali Shah, FCA	2
Farhan Ansari, FCA	3
Dr. Farrukh Iqbal	4
Ayesha Riaz, FCA	4
Mohammad Adnan Afaq, FCA	2
Mohammad Maqbool, FCA	3
Rayomond Kotwal	3
Riaz A. Rehman Chamdia, FCA	3
Syed Mohammad Shabbar Zaidi, FCA	3
Syed Najmul Hussain, FCA	3
Tafakhar Ali Asdi	0
Board formed in 2016-17	

Members Affairs Committee

2016-2017 from September 1, 2016 to August 15, 2017	
Meetings Held (2)	
Name	Attended
Naeem Akhtar Sheikh, FCA (chairman)	2
Syed Najmul Hussain, FCA	1
Riaz A. Rehman Chamdia, FCA	2
Mohammad Maqbool, FCA	2
Mohammad Iqbal, FCA	2
Committee formed in 2016-17	

Chartered Accountants Women Committee (CAWC)

2016-2017 from September 1, 2016 to August 15, 2017	
Meetings Held (5)	
Name	Attended
Farrukh Rehman, FCA (chairman)	5
Anam Nadia Rahman, ACA	4
Bushra Aslam, FCA	3
Emad-ul-hasan, FCA	1
Hadia Khalid Petiwala, ACA	3
Hena Sadiq, FCA	3
Hina Usmani, FCA	4
Khursheed Kotwal, FCA	5
Maimoona Raffat, ACA	4
Marium Mohammad Farooq, ACA	2
Moneeza Usman Butt, FCA	4
Noureen Al Amin, FCA	3
Qurratulain Hadi	1
Rija Salim Mangroli, ACA	4
Roshan Mehri, FCA	4
Saira Nasir, FCA	3
Sadia Salman, FCA	3
Sadia Shakoor, ACA	3
Uzma Adil Khan, FCA	1
Uzma Hayat, FCA	4
Yasmeen Ahmed Zai, FCA	1
Committee formed in 2017	



Accounting Standards Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (4)	
Name	Attended	Name	Attended
Riaz A. Rehman Chamdia, FCA (chairman)	2	Riaz A. Rehman Chamdia, FCA (chairman)	4
Abdul Aleem, FCA	2	Abdul Aleem, FCA	3
Ammar Ahmed, ACA	0	Ammar Ahmed, ACA	2
Atiq Anwar Mahmudi, FCA	1	Atiq Anwar Mahmudi, FCA	3
Ayesha Riaz, FCA	2	Bilal Ahmad Khan	0
Farrukh Rehman, FCA	0	Farrukh Rehman, FCA	0
Hena Sadiq, FCA	2	Hena Sadiq, FCA	2
Irfan Ilyas, FCA	2	Irfan Ilyas, FCA	2
Mian Mehmood Ul Hassan, FCA	2	Mohammad Mahmood Hussain, FCA	3
Mohammad Mahmood Hussain, FCA	2	Mohammad Maqbool, FCA	2
Mohammad Maqbool, FCA	2	Muhammad Ali	2
Muhammad Asif Iqbal, FCA	2	Muhammad Asif Iqbal, FCA	2
Muhammad Imran, ACA	1	Muhammad Imran, ACA	2
Munir Malik, FCA	1	Muhammad Minhaj	1
Shabbir Yunus, FCA	2	Muhammad Tufail Salariya, FCA	1
Waqas Aftab Sheikh, FCA	1	S. Haider Abbas	2
Waseem Ashfaq, FCA	1	Shabbir Yunus, FCA	2
		Umair Madhani	0
		Waqas Aftab Sheikh, FCA	2
		Waseem Ashfaq, FCA	4



Auditing Standards Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (8)		Meetings Held (7)	
Name	Attended	Name	Attended
Farrukh Rehman, FCA (chairman)	8	Farrukh Rehman, FCA (chairman)	7
Amin Ali, FCA	5	Abbas, FCA	5
Asad Feroze, FCA	6	Asad Feroze, FCA	4
Ejaz Hussain Rathore, FCA	6	Ejaz Hussain Rathore, FCA	7
Haroon Tabraze, FCA	5	Haroon Tabraze, FCA	5
Hina Usmani, FCA	6	Kamran Iqbal Yousafi, FCA	5
Kamran Iqbal Yousafi, FCA	3	Maheen Fatima, FCA	3
Maheen Fatima, FCA	1	Mehmood, FCA	6
Mehmood, FCA	5	Muhammad Haroon Rashid, FCA	3
Muhammad Haroon Rashid, FCA	0	Muhammad Nasir Muneer, FCA	4
Nadeem Tirmizi, FCA	7	Nadeem Tirmizi, FCA	5
Nareesh Kumar, ACA	6	Nareesh Kumar, ACA	4
Osman Hameed Chaudhri, FCA	3	Osman Hameed Chaudhri, FCA	2
S. Haider Abbas, FCA	3	S. Haider Abbas, FCA	5
Shariq Ali Zaidi, FCA	6	Shariq Ali Zaidi, FCA	5
Tasneem Yusuf, FCA	4	Tasneem Yusuf, FCA	4



Committee on Accounting Standards for Interest Free Mode of Financing & Investments

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Syed Najmul Hussain, FCA (chairman)	3	Syed Najmul Hussain, FCA (chairman)	2
Abdul Rafay Siddique, FCA	0	Abdul Rafay Siddique, FCA	2
Ahmed Ali Siddiqui	2	Ahmed Ali Siddiqui	1
Anwar Ahmed Meenai	4	Anwar Ahmed Meenai	2
Aziz Adil	3	Aziz Adil	1
Bushra Aslam, FCA	1	Bushra Aslam, FCA	1
Dr. Muhammad Qaseem	2	Dr. Muhammad Qaseem	2
Faizan Ahmed Memon	2	Faizan Ahmed Memon	1
Haroon Tabraze, FCA	3	Haroon Tabraze, FCA	3
Mahammad Islam Ahmed	4	Mahmood Shafqat	3
Mazhar Saleem, FCA	2	Mazhar Saleem, FCA	1
Mufti Irshad Ahmed Aijaz	0	Mufti Irshad Ahmed Aijaz	2
Mufti Muhammad Najeeb Khan	2	Mufti Muhammad Najeeb Khan	2
Mufti Sabir Hussain	0	Mufti Sabir Hussain	1
Muhammad Aqeel Khan, FCA	3	Muhammad Naeem Sarwar, ACA	3
Muhammad Naeem Sarwar, ACA	3	Muhammad Rehan	0
Nadeem Amjad Khan, FCA	0	Nadeem Amjad Khan, FCA	2
Noman Abbas Sheikh, FCA	2	Noman Abbas Sheikh, FCA	2
Omar Mustafa Ansari, FCA	2	Omar Mustafa Ansari, FCA	2
Sohail, FCA	4	Sohail, FCA	3
*After formation of the Accounting Standards Board in March, this committee was converted into a working group.			



Technical Advisory Committee (TAC)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (5)		Meetings Held (5)	
Name	Attended	Name	Attended
Mohammad Maqbool, FCA (chairman)	5	Mohammad Maqbool, FCA (chairman)	5
Aamer, ACA	3	Amir Waheed Ahmed, FCA	2
Haris Bin Mohsin, ACA	1	Irfan Ilyas, FCA	4
Irfan Ilyas, FCA	5	Khan Mohammad, FCA	5
Irfan Rehman Malik, FCA	3	Mohammad Almas, FCA	5
Khan Mohammad, FCA	4	Mohammad Younas Ghazi, FCA	5
Mohammad Almas, FCA	3	Mohammad Zulfikar Akhtar, FCA	4
Mohammad Younas Ghazi, FCA	5	Muhammad Nasir Muneer	2
Mohammad Zulfikar Akhtar, FCA	3	Muhammad Safder	1
Muhammad Asif Iqbal, FCA	4	Muhammad Tufail Salariya, FCA	4
Muhammad Nasir Muneer, FCA	4	Muhammad Usman Tahir Farooqi, ACA	4
Muhammad Tufail Salariya, FCA	3	Sajjad Hussain Gill, FCA	3
Muhammad Usman Tahir Farooqi, ACA	1	Sayed Bakhtiyar Kazmi, FCA	3
Rana Muhammad Usman Khan, FCA	4	Shakaib Arif, FCA	1
Rizwan Bashir, FCA	5	Shibli Islam Rehan, FCA	3
Sajjad Hussain Gill, FCA	5	Shoaib Amin Ghazi, FCA	3
Sayed Bakhtiyar Kazmi, FCA	2	Syed Iftikhar Anjum, FCA	3
Shibli Islam Rehan, FCA	3	Waseem Ashfaq, FCA	4
Shoaib Amin Ghazi, FCA	4	Zulfikar Ali Causer, FCA	5
Syed Iftikhar Anjum, FCA	4		
Waseem Ashfaq, FCA	4		
Zulfikar Ali Causer, FCA	3		



Public Sector Committee (PSC)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (1)	
Name	Attended	Name	Attended
Mohammad Abdullah Yusuf, FCA (chairman)	2	Mohammad Abdullah Yusuf, FCA (chairman)	1
Abbas Hasan Naqvi, FCA	0	Ahsan Ghaffar Mehanti, FCA	1
Ahsan Ghaffar Mehanti, FCA	2	Amer Tufail, FCA	0
Amer Tufail, FCA	0	Asad Ali Shah, FCA	0
Amin Ali, FCA	1	Asif Mahmood, FCA	0
Asad Ali Shah, FCA	0	Fuad Azim Hashimi, FCA	0
Asif Mahmood, FCA	2	Hasan Saqib, FCA	1
Fuad Azim Hashimi, FCA	1	Jehan Zeb Amin, FCA	1
Hasan Saqib, FCA	1	Muhammad Ali Latif, FCA	0
Jehan Zeb Amin, FCA	1	Muhammad Arif, FCA	0
Mudassar Ghulam Nabi, ACA	2	Riaz A. Rehman Chamdia, FCA	1
Muhammad Arif, FCA	0	Salman Anwar Malik, FCA	0
Riaz A. Rehman Chamdia, FCA	0	Shah Naveed Saeed, FCA	1
Salman Amin, FCA	0	Syed Ghazanfar Abbas Jilani	1
Shah Naveed Saeed, FCA	2	Syed Ghulam Rasool Shah	0
Tafakhar Ali Asdi	1	Umer Tufail, ACA	0
Waseem Ahmad Khan	2	Waseem Ahmad Khan	1



Committee on Taxation

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (3)		Meetings Held (3)	
Name	Attended	Name	Attended
Rashid Ibrahim, FCA (chairman)	3	Rashid Ibrahim, FCA (chairman)	3
Abbas, FCA	3	Adnan Ahmad Mufti, FCA	2
Adnan Ahmad Mufti, FCA	0	Ashfaq Yousuf Tola, FCA	1
Ashfaq Yousuf Tola, FCA	0	Asif Haroon, FCA	2
Asif Haroon, FCA	2	Asif Siddiq, FCA	2
Asif Siddiq, FCA	3	Ejaz Hussain Rathore, FCA	3
Atif Mufassir, FCA	2	Habib Fakhruddin, FCA	3
Ejaz Hussain Rathore, FCA	0	Hamid Masood, FCA	2
Habib Fakhruddin, FCA	2	Imran Afzal, FCA	1
Haider A. Patel, FCA	3	Kamran Iqbal Butt, FCA	2
Imran Afzal, FCA	0	Mohammad Arif Ashraf, FCA	1
Kamran Iqbal Butt, FCA	1	Mohammad Younas Ghazi, FCA	3
Masood Ahmad, FCA	2	Muhammad Aqib Zulfikar, FCA	1
Mohammad Younas Ghazi, FCA	2	Muhammad Awais, FCA	1
Muhammad Awais, FCA	1	Rafqat Hussain, FCA	2
Muhammad Uzair Memon, ACA	1	Rizwan Bashir, FCA	3
Naeem Akthar Sheikh, FCA	0	Shaikh Saqib Masood, FCA	2
Rafqat Hussain, FCA	3	Syed Khalid Nafees Zaidi, FCA	0
Rana Muhammad Usman Khan, FCA	3		
Rizwan Bashir, FCA	3		
Shahbaz Raza, FCA	3		
Shaikh Saqib Masood, FCA	0		
Shameer Haroon, ACA	2		
Syed Aurangzeb Hashmi, ACA	1		



Economic Advisory Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (3)	
Name	Attended	Name	Attended
Syed Mohammad Shabbar Zaidi, FCA (chairman)	1	Syed Mohammad Shabbar Zaidi, FCA (chairman)	3
Abdul Rab, FCA	2	Ahsan Ghaffar Mehanti, FCA	3
Ahsan Ghaffar Mehanti, FCA	2	Arsalan Salahuddin Vardag, FCA	1
Arsalan Salahuddin Vardag, FCA	0	Ashfaq Hasan Khan	1
Ashfaq Hasan Khan	0	Bushra Naz Malik, FCA	0
Bushra Naz Malik, FCA	0	Imran Ahmed Mirza, FCA	0
Imran Ahmed Mirza, FCA	2	Kamran Hafeez, FCA	2
Kamran Hafeez, FCA	1	Muddassar Mehmood, FCA	3
Muddassar Mehmood, FCA	0	Muhammad Farid Alam, FCA	1
Muhammad Farid Alam, FCA	2	Nabiha Shahnawaz Cheema, FCA	3
Nabiha Shahnawaz Cheema, FCA	0	Qaiser Javed, FCA	0
Qaiser Javed, FCA	0	Salman Amin, FCA	3
Salman Amin, FCA	1	Shahid Jamal Kazi, FCA	2
Shahid Hasan Siddiqui	1	Usama Rashid, FCA	3
Shahid Jamal Kazi, FCA	2		
Shaikh Saqib Masood, FCA	2		
Usama Rashid, FCA	2		
*The Committee was reactivated in 2015-16			



Overseas Coordination Committee (OCC)

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Sarmad Ahmad Khan, FCA (chairman)	4	Sarmad Ahmad Khan, FCA (chairman)	3
Abdul Aziz, FCA	2	Abdul Aziz, FCA	1
Kamran Ahmed Qazi, FCA*	0	Kamran Ahmed Qazi, FCA	0
Muhammad Shoaib Jan Memon, FCA**	2	Khalid Mahmood	0
Syed Asif Zaman, ACA	4	M. Sharif Tabani, FCA	3
M. Sharif Tabani, FCA	2	Mohammad Iqbal, FCA	3
Mohammad Iqbal, FCA	2	Mohammad Maqbool, FCA	3
Mohammad Maqbool, FCA	4	Rashid Ibrahim, FCA	1
Muhammad Sohail, FCA	1	Riaz A. Rehman Chamdia, FCA	2
Hidayat Ali, FCA	3	Syed Shamshad Husain, FCA	2
Riaz A. Rehman Chamdia, FCA	3		
Syed Shamshad Husain, FCA	4		
* Previous UK Management Committee			
** Current UK Management Committee			



ICAP Benevolent Fund Management Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (4)		Meetings Held (3)	
Name	Attended	Name	Attended
Imran Afzal, FCA (chairman)	4	Imran Afzal, FCA (chairman)	3
Abdul Qadeer, FCA	2	Abdul Qadeer, FCA	2
Adeel Ahmad Khan, FCA	2	Adeel Ahmad Khan, FCA	2
Ali Noshad, ACA	1	Kamran Iqbal Butt, FCA	3
Kamran Iqbal Butt, FCA	1	Liaquat Ali, FCA	2
Liaquat Ali, FCA	3	Mahmood A. Qureshi, FCA	1
Mahmood A. Qureshi, FCA	3	Masoom Akhtar, FCA	3
Masoom Akhtar, FCA	1	Mohammed Ali, ACA	2
Mohammed Ali, ACA	4	Mohammed Rafiuddin Hyder, FCA	3
Mohammed Rafiuddin Hyder, FCA	2	Muhammad Ahmad Shahid, FCA	2
Muhammad Ahmad Shahid, FCA	2	Muhammad Awais, FCA	2
Muhammad Awais, FCA	2	Qamar Ul Islam, FCA	2
Qamar Ul Islam, FCA	3	Rana Muhammad Usman Khan, FCA	3
Rana Muhammad Usman Khan, FCA	3	Rehan Mobin, FCA	2
Rehan Mobin, FCA	3		
Shakaib Arif, FCA	1		



Publications Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (1)		Meetings Held (1)	
Name	Attended	Name	Attended
Yacoob Suttar, FCA (chairman)	1	Yacoob Suttar, FCA (chairman)	1
Abdul Qadir, ACA	0	Aamir Waheed Ahmed, FCA	1
Hina Shamsi, ACA	0	Abdul Qadir, ACA	0
Mirza ZunairZafar, ACA	1	Ammara Ahmad, ACA	0
Munim Imran, ACA	1	Fariha Wajid, ACA	0
Naseer Ahmed, ACA	1	Hina Shamsi, ACA	1
Shaukat Hussain, ACA	1	Muhammad Amir Afzal Rana, FCA	0
Syed Jawwad Ul Haq Haqqi, ACA	1	Naseer Ahmed, ACA	1
Waqas Latif, ACA	1	Obaid-Ur-Rehman, ACA	0
		Waqas Latif, ACA	1

Human Resources Committee

2016-2017 from September 1, 2016 to August 15, 2017		2015-2016 from October 1, 2015 to July 31, 2016	
Meetings Held (2)		Meetings Held (3)	
Name	Attended	Name	Attended
Nadeem Yousuf Adil, FCA (chairman)	2	Hafiz Muhammad Yousaf, FCA (chairman)	3
Hafiz Muhammad Yousaf, FCA	1	Hidayat Ali, FCA	3
Khalilullah Sheikh, FCA	2	Nadeem Yousuf Adil, FCA	3
Nazir Ahmed Chaudhri, FCA	2	Naeem Akhtar Sheikh, FCA	3
Yacoob Suttar, FCA	2	Yacoob Suttar, FCA	2



sustainability report

Commentary

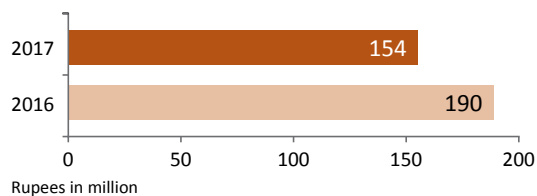
Sound Financial Base:

This year the Institute has invested in technology, human resource and examination which resulted in relatively lower surplus though still very healthy. ICAP plans to continue investing in these areas and in the coming years while continue to maintain a healthy surplus.

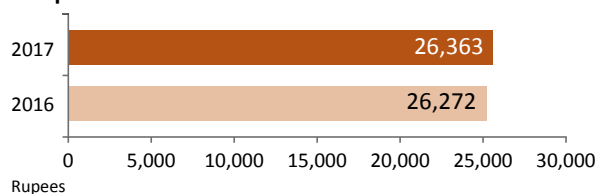
The Institute generated a surplus of Rs. 154 million for the year. Total revenue increased by 6% while expenses were higher by 14% over the previous year.

The overall increase in members' funds of 16% (to Rs. 1,098m) reflects the sound financial strength of the Institute, ICAP continues to build on its asset base while providing members and students with the high level of services envisaged within its strategic plan.

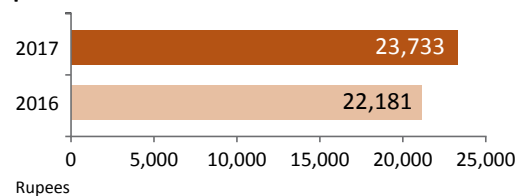
Surplus



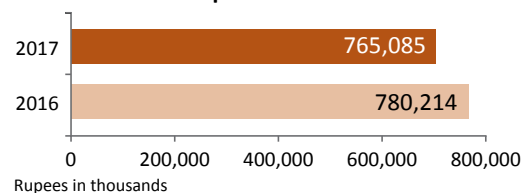
Revenue per member and student



Cost per member and student



Investments and cash equivalents





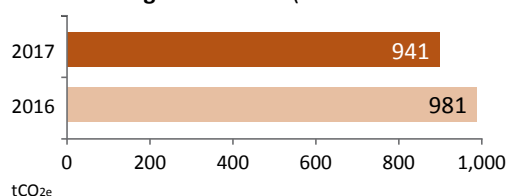
sustainability report

Environmental Impact:

The scope of the greenhouse gas inventory is based on activities that generate an environmental cost to society, including electricity, flight travel and paper consumption.

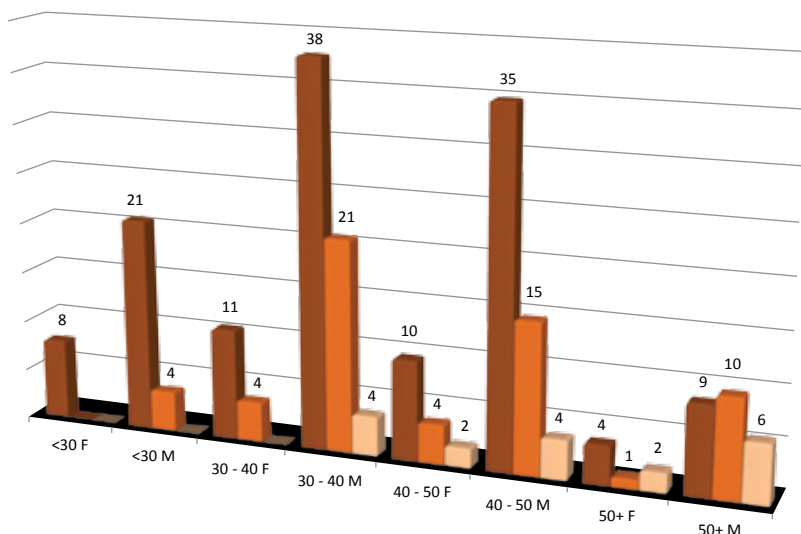
At year end, our carbon footprint was 941 tonnes of carbon (tCO₂e), a 4% decrease compared to 2016. This decrease was driven by decrease in emissions from flights and electricity consumption.

Greenhouse gas emissions (tCO₂e = tonnes of carbon)



Itemised emissions

(tCO ₂ e)	2017	2016
Purchased electricity	467	492
Travel - flights	459	478
Paper consumption	15	11

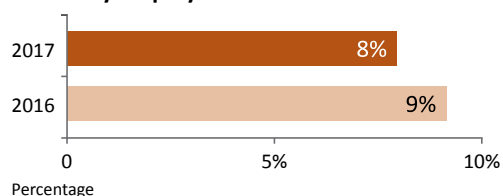


Total Employees

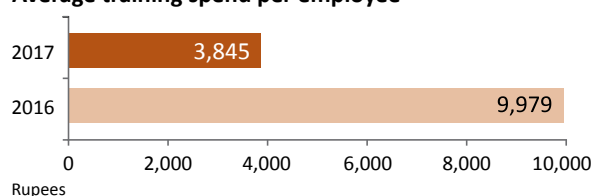
213

- Directors = 18
- Managers = 59
- Assistant Manager and below = 136

Voluntary employee turnover



Average training spend per employee*



* Excluding spending of Rs. 5.7 million on MSA training project



financial highlight

Financial Review

Results

The Institute generated a surplus of Rs. 154m for the year (2016: Rs. 190m). Total revenue and other income increased by 6% to Rs. 896m, while expenditure were up by 14% to Rs. 742m.

Income and Expenditure

The increase in members' subscription of Rs. 15m over last year was contributed by 5% increase in membership fee combined with increase in number of members by 6%.

Revenue from examination and other fees increased to Rs. 516m. Education and training fee increased by Rs. 18m.

The increase in expenditure of Rs. 89m over 2016 was mainly on account of expenditure relating to salaries, examination charges, study packs, other publications and legal and professional charges.

Capital Expenditure

Capital expenditure aggregating to Rs. 24m includes office equipment, vehicles and furniture & fixtures.

Financial Position

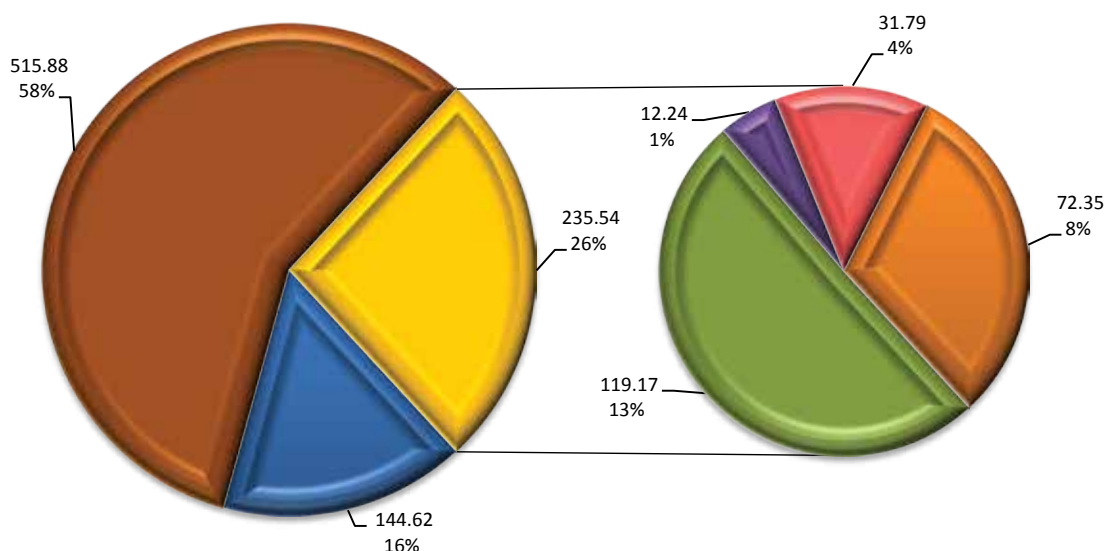
Net assets at 30 June 2017 were Rs. 1,098m, an increase of Rs. 154m over last year. At balance sheet date, the Institute had cash and bank balances of Rs. 58m while total investments stood at Rs. 707m mainly invested in government securities.



financial review

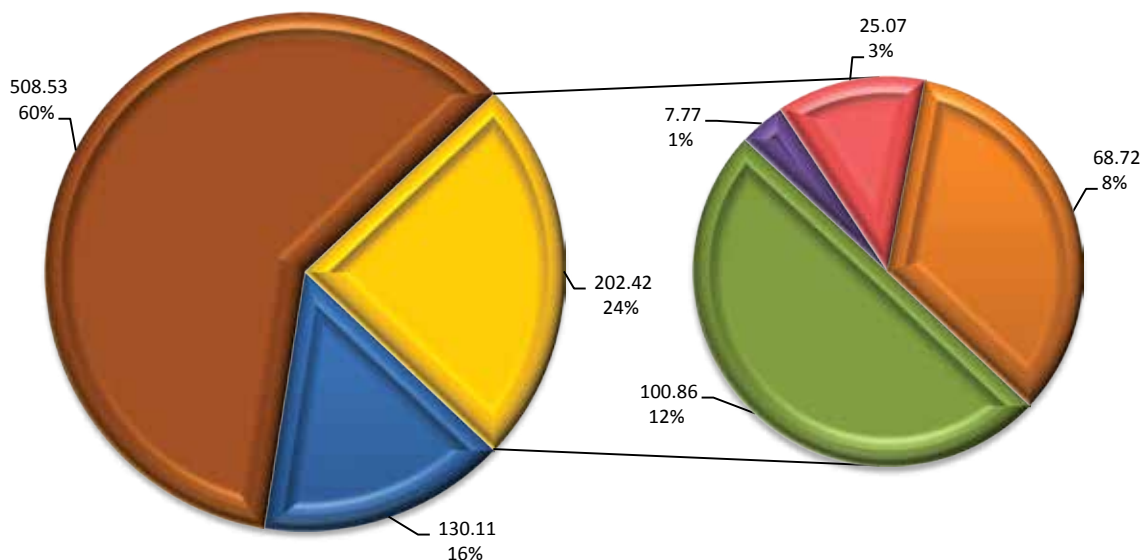
income composition

Income 2017 (Rupees in million)



■ Examinations
 ■ Members' fee
 ■ Education and training
 ■ Publications
 ■ Other operating income
 ■ Finance income

Income 2016 (Rupees in million)

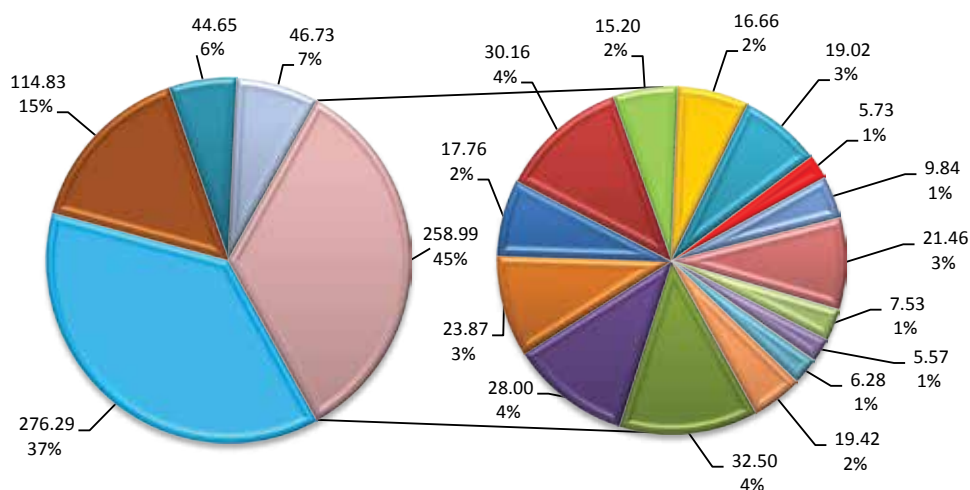




financial review

expense composition

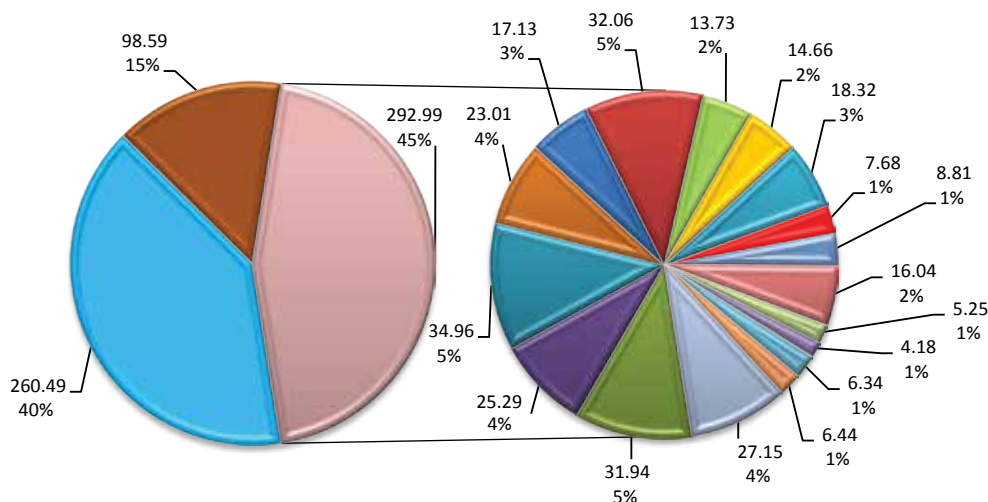
Expenses 2017 (Rupees in million)



- Salaries, allowances and other benefits
- Traveling and related expenses
- Postage and telephone
- Rent, rates and taxes
- Financial assistance to students
- Edhi CA talent program
- Other expenditures
- Examination charges
- Stupy packs and other publications
- Repairs and maintenance

- Advertisement and exhibition
- Financial assistance to members/families
- Vehicles maintenance and running cost
- Depreciation
- Utilities
- Printing and stationery
- Amortization of intangible assets
- Gold medals and award ceremony
- Legal and professional charges

Expenses 2016 (Rupees in million)



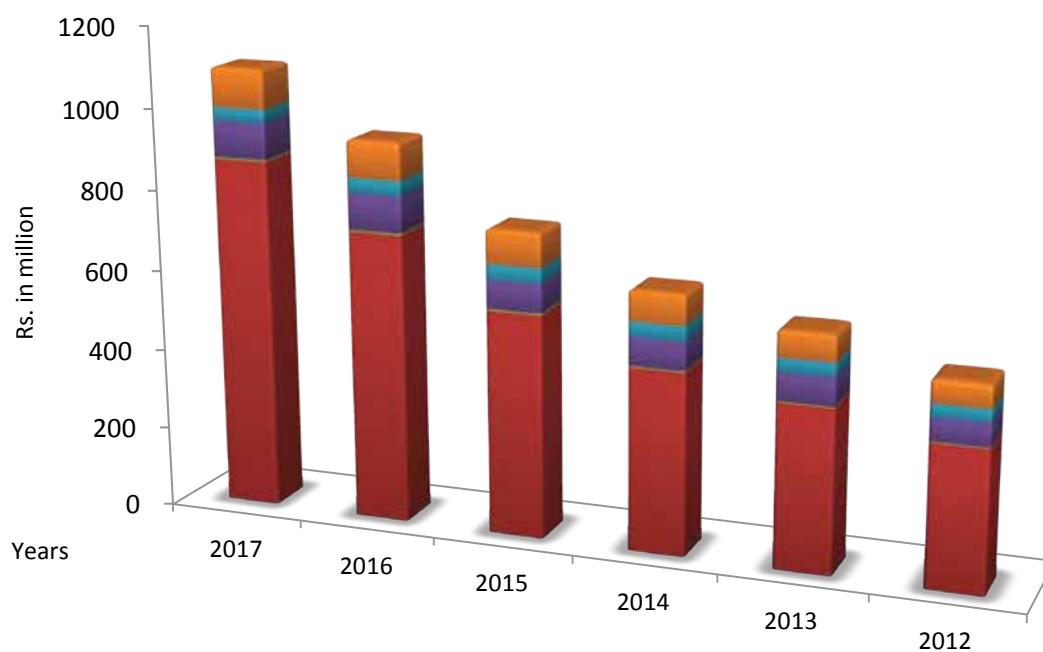


six years summary

Summary of Financial Position

Rs. in million

Descriptions	2017	2016	2015	2014	2013	2012
General Fund	842	718	555	452	406	350
Specific Funds	5	5	5	4	3	3
Endowment Funds	117	90	71	71	70	58
Regional Committees	33	37	38	36	33	31
Benevolent Fund	100	94	86	77	67	58



■ General Fund ■ Building Fund ■ Specific Funds
■ Endowment Funds ■ Regional Committees ■ Benevolent Fund



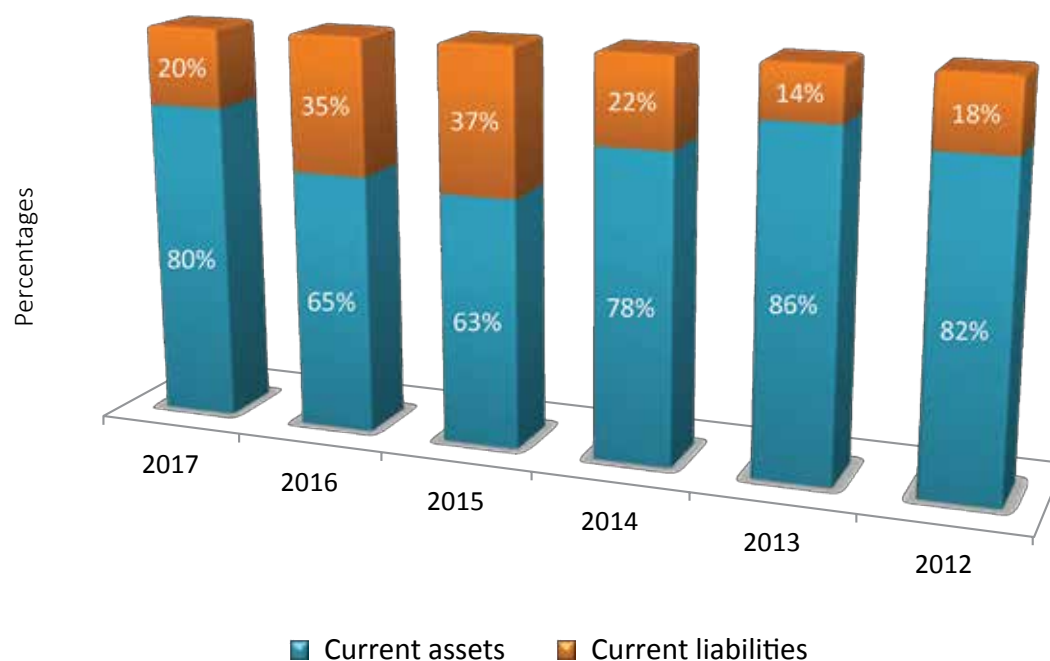
six years summary

Summary of Assets & Liabilities

Rs. in million

Descriptions	2017	2016	2015	2014	2013	2012
Property, plant and equipment	229	247	235	225	184	168
Long term assets	510	553	445	159	91	111
Current asset	479	305	179	359	361	273
Current liability	120	161	105	104	57	52
Net current assets	1098	944	74	255	304	221

Current Assets 'vs' Current Liabilities



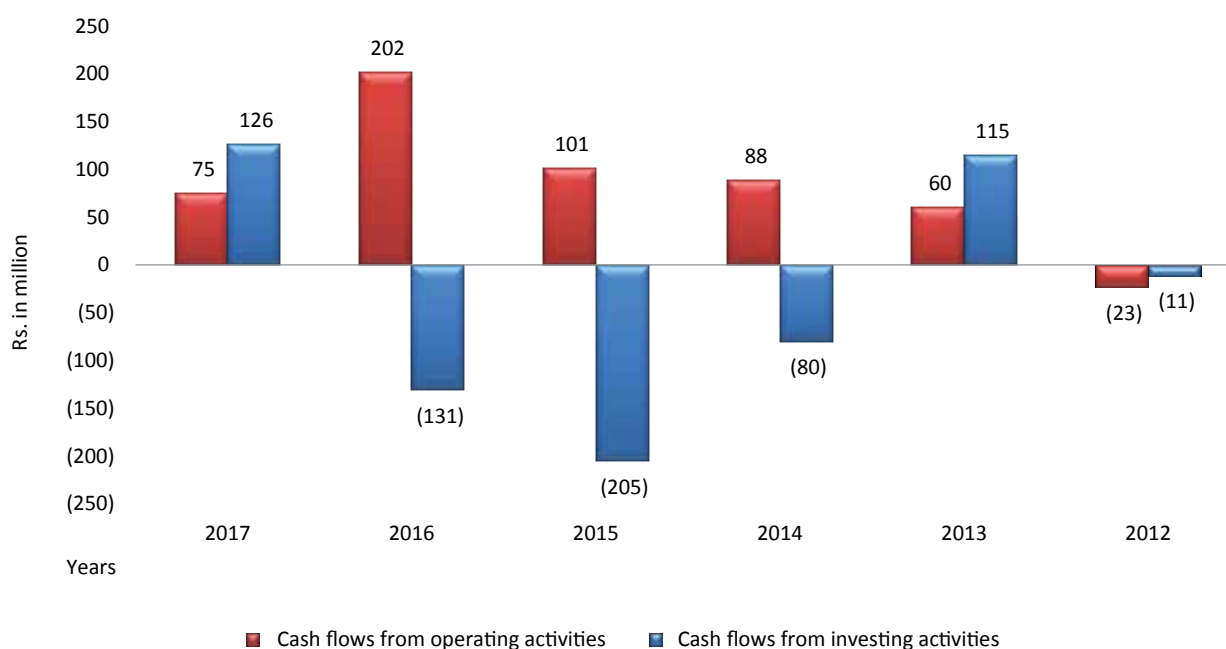


six years summary

Summary of Cash Flows

Rs. in million

Descriptions	2017	2016	2015	2014	2013	2012
Cash & cash equivalent at the beginning of the year	167	96	200	192	17	51
Cash flows from operating activities	75	202	101	88	60	(23)
Cash flows from investing activities	126	(131)	(205)	(80)	115	(11)
Net changes in cash and cash equivalent	201	71	(104)	8	175	(34)
Cash & cash equivalent at the end of the year	368	167	96	200	192	17



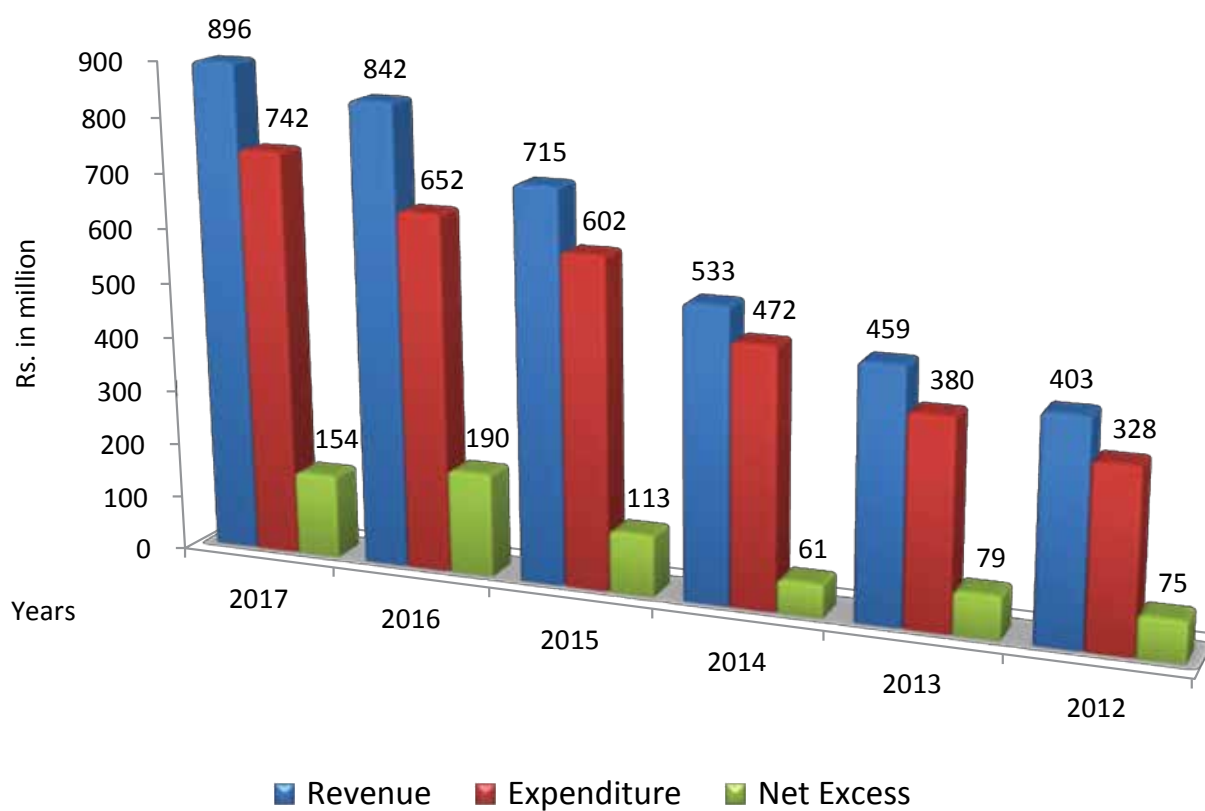


six years summary

Summary of Income & Expenditure

Rs. in million

Descriptions	2017	2016	2015	2014	2013	2012
Revenue	896	842	715	533	459	403
Expenditure	742	652	602	472	380	328
Net Excess	154	190	113	61	79	75





six years summary

Rs. in '000

Descriptions	2017	2016	2015	2014	2013	2012
OVERSEAS TRAVELLING						
International Federation of Accountants (IFAC)						
Members of the Council	2,619	2,712	3,625	2,507	3,268	3,111
Members of the Committee	523	772	410	541	223	455
Staff of the Institute	-	-	615	398	-	-
	3,142	3,484	4,650	3,446	3,491	3,566
Confederation of Asian and Pacific Accountants (CAPA)						
Members of the Council	755	910	2,240	726	879	1,581
South Asian Federation of Accountants (SAFA)						
Members of the Council	2,346	728	1,392	2,163	606	1,335
Members of the Committee	182	126	-	-	-	-
Staff of the Institute	855	555	143	321	110	-
	3,383	1,409	1,535	2,484	716	1,335
Professional Accountants in Business (PAIB)						
Members of the Council	477	1,126	1,071	358	1,068	884
Staff of the Institute	-	-	-	143	-	-
	477	1,126	1,071	501	1,068	884
Conference and Chapter Activities						
Members of the Council	967	-	718	757	-	-
Staff of the Institute	325	-	201	313	-	-
	1,292	-	919	1,070	-	-
Others						
Members of the Council	1,999	2,676	970	540	127	575
Members of the Committee	57	-	-	-	-	922
Staff of the Institute	2,787	1,900	1,591	1,528	1,182	1,618
	4,843	4,576	2,561	2,068	1,309	3,115
Sub Total	13,892	11,505	12,976	10,295	7,463	10,481
LOCAL TRAVELLING						
Members of the Council	5,905	5,920	3,987	5,220	5,510	4,616
Members of the Committee	1,353	1,112	961	786	798	846
Staff of the Institute	6,851	6,754	6,594	5,278	4,641	3,028
Sub Total	14,109	13,786	11,542	11,284	10,949	8,490
Grand Total	28,001	25,291	24,518	21,579	18,412	18,971



six years summary

Vertical Analysis

Rs. in million

Descriptions	2017	%	2016	%	2015	%	2014	%	2013	%	2012	%
ASSETS AND LIABILITIES												
Property, plant and equipment	229	21%	247	26%	235	31%	225	35%	184	32%	168	34%
Other Long term assets	510	46%	553	59%	445	59%	159	25%	91	16%	111	22%
Current assets	479	44%	305	32%	179	24%	359	56%	361	62%	273	55%
Current liabilities	(120)	(11%)	(161)	(17%)	(105)	(14%)	(104)	(16%)	(57)	(10%)	(52)	(10%)
Net assets	1098	100%	944	100%	754	100%	640	100%	579	100%	500	100%
REPRESENTED BY												
General Fund	842	77%	718	76%	555	74%	452	71%	406	70%	350	70%
Specific Funds	5	0%	5	0%	5	1%	4	1%	3	1%	3	0%
Endowment Funds	117	11%	90	10%	71	9%	71	11%	70	12%	58	11%
Regional Committees	33	3%	37	4%	38	5%	36	6%	33	6%	31	6%
Benevolent Fund	100	9%	94	10%	86	11%	77	11%	67	12%	58	12%
INCOME & EXPENDITURES	1098	100%	944	100%	754	100%	640	100%	579	100%	500	100%
Income	896	100%	842	100%	715	100%	533	100%	459	100%	403	100%
Expenditures	742	83%	652	77%	602	84%	472	89%	380	83%	328	81%
Operating Surplus	154	17%	190	23%	113	16%	61	11%	79	17%	75	19%

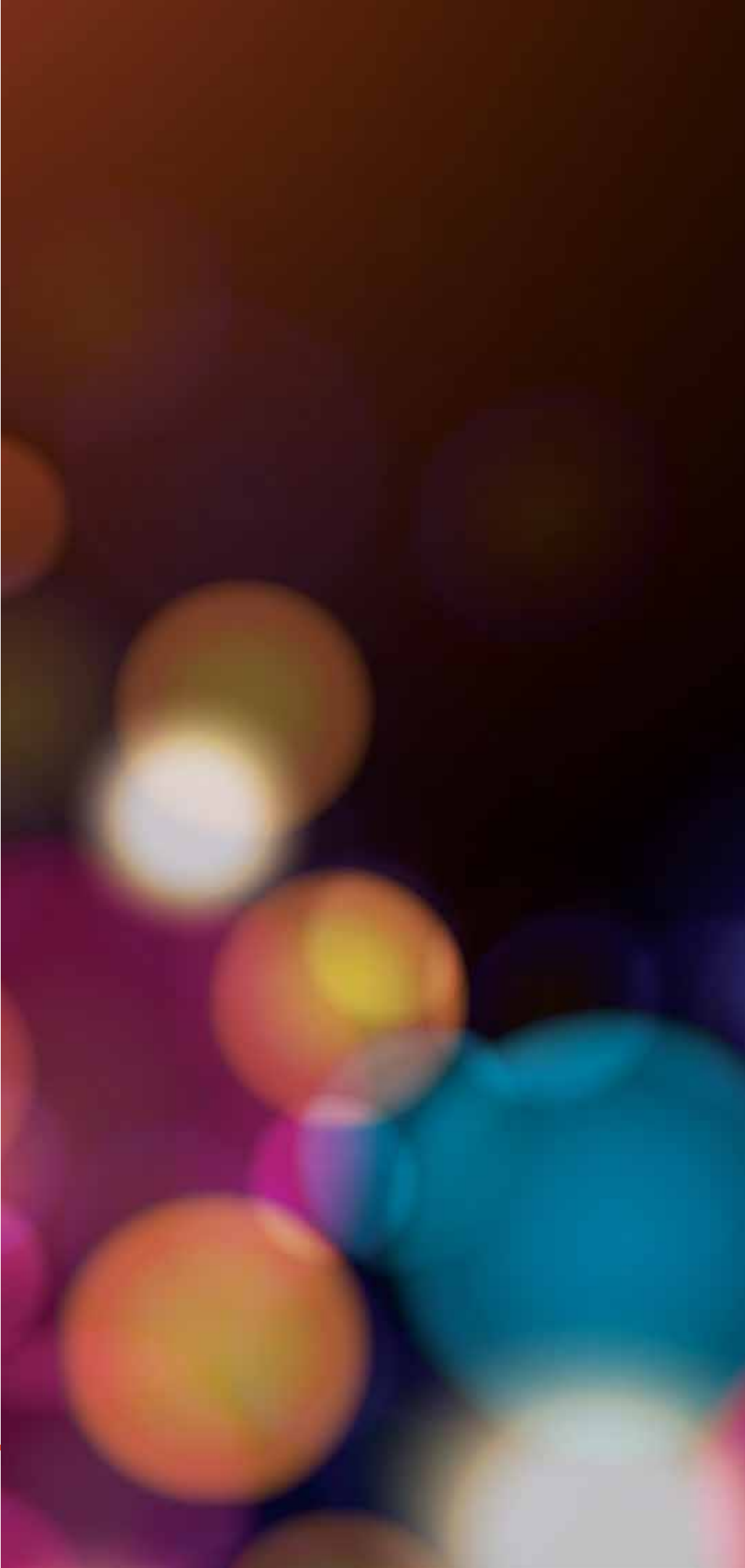
six years summary

Horizontal Analysis

Rs. in million

Descriptions	2017	Change over preceding year (%)	2016	Change over preceding year (%)	2015	Change over preceding year (%)	2014	Change over preceding year (%)	2013	Change over preceding year (%)	2012
ASSETS AND LIABILITIES											
Property, plant and equipment	229	(7%)	247	5%	235	4%	225	23%	184	9%	168
Other Long term assets	510	(8%)	553	24%	445	180%	159	76%	91	(18%)	111
Current assets	479	57%	305	70%	179	(51%)	359	(1%)	361	32%	273
Current liabilities	(120)	(25%)	(161)	53%	(105)	1%	(104)	82%	(57)	10%	(52)
Net assets	1098		944		754		640		579		500
REPRESENTED BY											
General Fund	842	17%	718	29%	555	23%	452	11%	406	16%	350
Specific Funds	5	0%	5	0%	5	25%	4	33%	3	0%	3
Endowment Funds	117	30%	90	27%	71	0%	71	1%	70	21%	58
Regional Committees	33	(11%)	37	(3%)	38	6%	36	9%	33	7%	31
Benevolent Fund	100	6%	94	9%	86	12%	77	16%	67	16%	58
	1098		944		754		640		579		500
INCOME & EXPENDITURES											
Income	896	6%	842	18%	715	34%	533	16%	459	14%	403
Expenditures	742	14%	652	8%	602	28%	472	24%	380	16%	328
Operating Surplus	154	(20%)	190	68%	113	86%	61	(23%)	79	5%	75





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financial statements 2017



independent auditors' report to the members

Qasim E. Causer

Chartered Accountant

2nd Floor, Block-C, Lakson Square Building No.1
Sarwar Shaheed Road,
Karachi – 74200

Syed Aftab Hameed

Chartered Accountant

Amin Building, 65 The Mall,
Lahore.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of **THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN** (the Institute), which comprises the balance sheet as at June 30, 2017, and the statement of comprehensive income, statement of cash flow and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as notified by the SECP.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements for the year ended June 30, 2016 were audited by Mr. Abdul Hameed Chaudhri, Chartered Accountant and Mr. Qasim Ebrahim Causer, Chartered Accountant who had expressed an unqualified opinion thereon vide their report dated July 29, 2016.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as notified by the SECP, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can



arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

QASIM E. CAUSER
CHARTERED ACCOUNTANT
KARACHI

SYED AFTAB HAMEED
CHARTERED ACCOUNTANT
LAHORE

DATED: August 11, 2017



balance sheet

as at june 30, 2017

	Note	2017 ----- Rs. '000 -----	2016 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	229,160	246,898
Intangible assets	6	3,813	9,547
Long term investments	7	342,164	535,591
Loans, advances and deposits	8	163,869	7,807
		<u>739,006</u>	<u>799,843</u>
CURRENT ASSETS			
Stock of study packs, publications and souvenirs	9	18,900	17,324
Short term investments	10	365,199	175,338
Loans, advances, prepayments and other receivables	11	21,514	23,175
Accrued income on investments	12	15,495	19,572
Cash and bank balances	13	57,722	69,285
		<u>478,830</u>	<u>304,694</u>
TOTAL ASSETS		<u>1,217,836</u>	<u>1,104,537</u>
LIABILITIES			
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	14	81,719	76,334
Fee and charges received in advance	15	38,087	84,432
		<u>119,806</u>	<u>160,766</u>
CONTINGENCIES AND COMMITMENTS	16		
NET ASSETS		<u>1,098,030</u>	<u>943,771</u>
REPRESENTED BY:			
General Fund		842,095	717,698
Specific Fund		5,073	4,829
Endowment Funds		117,399	89,874
Regional Committees		33,439	37,480
Benevolent Fund		100,024	93,890
		<u>1,098,030</u>	<u>943,771</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President



statement of comprehensive income

for the year ended june 30, 2017

	Note	2017 ----- Rs. '000 -----	2016
Income			
Members' subscription	17	144,622	130,113
Examination and other fees	18	515,877	508,533
Education and training fees	19	119,165	100,855
Publications	20	12,236	7,767
Other income	21	31,790	25,071
		823,690	772,339
Expenditure			
Salaries, allowances and other benefits	22	276,291	260,494
Examination charges		114,832	98,593
Depreciation	5.2	32,498	31,942
Traveling and related expenses	23	28,001	25,291
Study packs and other publications	24	44,651	34,962
Utilities		23,870	23,010
Postage and telephone		17,758	17,129
Repairs and maintenance		30,156	32,063
Printing and stationery		15,197	13,733
Rent, rates and taxes		16,656	14,663
Advertisement and exhibition		19,021	18,318
Amortisation of intangible assets	6	5,734	7,677
Financial assistance to students	25	9,839	8,807
Financial assistance to members and/or families		21,462	16,040
Gold medals and award ceremony		7,532	5,249
Edhi CA talent program		5,575	4,179
Vehicles maintenance and running cost		6,278	6,337
Legal and professional charges		19,417	6,436
Others	26	46,733	27,155
		741,501	652,078
Excess of income over expenditure before income from investments		82,189	120,261
Income from investments	27	72,353	68,722
Excess of income over expenditure for the year		154,542	188,983
Other comprehensive income			
(Deficit)/surplus on re-measurement of available for sale investments		(483)	652
Total comprehensive income for the year		154,059	189,635
Attributable to:			
General Fund		159,246	183,585
Specific Fund		44	251
Endowment Funds		(4,324)	(1,007)
Regional Committees		(4,041)	(456)
Benevolent Fund		3,134	7,262
		154,059	189,635

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President



statement of cash flows

for the year ended june 30, 2017

	Note	2017 ----- Rs. '000 -----	2016 -----
Cash flows from operating activities			
Cash received against:			
Members' subscription		142,136	127,640
Examination and other fees		473,578	519,676
Education and training fees		119,165	100,855
Sale of publications		11,902	7,676
Facilities and miscellaneous		30,134	27,524
		776,915	783,371
Cash paid against:			
Salaries, allowances and other benefits		273,489	243,276
Fees to professional bodies		5,416	4,560
Property tax		928	875
Suppliers and services		422,373	333,013
		702,206	581,724
Net cash generated from operating activities		74,709	201,647
Cash flows from investing activities			
Investments - net		214,778	(158,010)
Fixed capital expenditure		(24,042)	(47,174)
Purchase of intangible assets		-	(6,454)
Proceeds from sale of property, plant and equipment		25,396	3,618
Income received from investments		65,922	77,065
Loans, advances and deposits recovered		13,816	3,019
Loans, advances and deposits paid		(169,878)	(2,821)
Net cash generated from / (used in) investing activities		125,992	(130,757)
Net increase in cash and cash equivalents		200,701	70,890
Cash and cash equivalents - at beginning of the year		166,854	95,964
Cash and cash equivalents - at end of the year	28	367,555	166,854

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President

statement of changes in funds for the year ended june 30, 2017

	General Fund	Specific Fund	Endowment Funds		Regional Committees				Benevolent Fund			Total	
			Students' Endowment Fund	Libraries Development Fund	Sub total	Southern		Northern	Sub total	Accumulated Fund	Special Reserve Fund		Sub total
						Accumulated Fund	H.J. Irani Memorial Fund						
Rs. '000													
Balance as at July 01, 2015	555,113	4,578	63,469	7,097	70,566	25,599	147	12,190	37,936	84,776	839	85,615	
Transferred to Benevolent Fund	(1,000)	-	-	-	-	-	-	-	-	1,000	-	1,000	
Transferred to Student Endowment Fund	(20,000)	-	20,000	-	20,000	-	-	-	-	-	-	-	
Donation received during the period	-	-	315	-	315	-	-	-	-	13	-	13	
Total comprehensive income for the year ended June 30, 2016	-	-	-	-	-	-	-	-	-	-	-	-	
Excess / (deficit) of income over expenditure for the year	183,585	251	(1,658)	651	(1,007)	(212)	9	(253)	(456)	6,610	-	6,610	
Other comprehensive income	-	-	-	-	-	-	-	-	-	652	-	652	
Balance as at June 30, 2016	183,585	251	(1,658)	651	(1,007)	(212)	9	(253)	(456)	7,262	-	7,262	
	717,698	4,829	82,126	7,748	89,874	25,387	156	11,937	37,480	93,051	839	93,890	
Balance as at July 01, 2016	717,698	4,829	82,126	7,748	89,874	25,387	156	11,937	37,480	93,051	839	93,890	
Transferred to Benevolent Fund	(3,000)	-	-	-	-	-	-	-	-	3,000	-	3,000	
Transferred to Student Endowment Fund to cover the shortfall of income	(3200)	-	3200	-	3200	-	-	-	-	-	-	-	
Transferred to Student Endowment Fund	(28,649)	-	28,649	-	28,649	-	-	-	-	-	-	-	
Transferred from H.J. Irani Memorial Fund	-	-	-	-	-	160	(160)	-	-	-	-	-	
Contribution for gold medal	-	200	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year ended June 30, 2017	-	-	-	-	-	-	-	-	-	-	-	200	
Excess / (deficit) of income over expenditure for the year	159,246	44	(4,765)	441	(4,324)	1,432	4	(5,477)	(4,041)	3,617	-	3,617	
Other comprehensive income	-	-	-	-	-	-	-	-	-	(483)	-	(483)	
Balance as at June 30, 2017	159,246	44	(4,765)	441	(4,324)	1,432	4	(5,477)	(4,041)	3,134	-	3,134	
	842,095	5,073	109,210	8,189	117,399	26,979	-	6,460	33,439	99,185	839	100,024	
												1,098,030	

The Council in its meetings held on May 3, 2016 and September 9, 2016, decided to appropriate Rs. 1 million and Rs. 2 million respectively from General Fund to Benevolent Fund.

The Council in its meeting held on May 11, 2017, decided to allocate 20% of the net surplus of the General Fund to the Endowment Fund after adjusting Rs. 3.2 million which has already been utilised from the General Fund to cover the shortfall of income for disbursement to students, as per Council decision of December 16, 2016.

The Council of the Institute in its meeting held on February 18, 2017 decided to merge the H.J. Irani Memorial Fund with General Fund of the Southern Regional Committee.

The annexed notes from 1 to 35 form an integral part of these financial statements.

Secretary

President





notes to the financial statements for the year ended june 30, 2017

1. THE INSTITUTE AND ITS OPERATIONS

The Institute of Chartered Accountants of Pakistan (the Institute) is a statutory body, established under the Chartered Accountants Ordinance, 1961 (X of 1961) for the regulation of the profession of accountants in the country. The Institute is an approved non-profit organization, under sub section (36) of section 2 of the Income Tax Ordinance, 2001.

Regional Committees

The Council of the Institute has established two regional committees (i.e. Southern Regional Committee and Northern Regional Committee) to carry-out the functions as laid down in bye-law 90 of the Chartered Accountants Bye-Laws, 1983.

Endowment Funds

The Institute operates Students' Endowment and Libraries Development Funds to provide financial assistance to the deserving students and for development of ICAP libraries respectively. These Funds are governed by the rules approved by the Council. The contributions to the Funds include transfers by the Institute from its surplus as well as amounts received from other organizations.

Benevolent Fund

Benevolent Fund was established by the Council of the Institute to provide relief to deserving persons who are or have been members of the Institute and spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is contributed by the members in the form of annual subscription.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in Pakistan under the repealed Companies Ordinance, 1984 and the requirements of the Chartered Accountants Ordinance, 1961 and the Chartered Accountants Bye-laws, 1983.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Institute and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.3 New and amended standards and interpretations

2.3.1 Standards, interpretations and amendments to accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on January 1, 2016 and are considered to be relevant to the Institute's operations:

- a) IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.



notes to the financial statements for the year ended june 30, 2017

Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.

Notes – confirmation that the notes do not need to be presented in a particular order.

Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

- b) IAS 16, 'Property, Plant and Equipment' - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16.
- c) IAS 38, 'Intangible Assets' - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.

The above amendments/interpretations do not have any significant impact on these financial statements.

2.3.2 Standards, interpretations and amendments to accounting standards that are effective but not relevant

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 which are considered not to be relevant or to have any significant effect on the Institute's financial reporting and operation and hence have not been detailed here.

2.3.3 Standards, interpretations and amendments to accounting standards that are not yet effective and have not been early adopted by the Institute

The following are the new standards and amendments to approved accounting standards which are not effective for the financial year beginning on or after July 1, 2016 and have not been early adopted by the Institute:

- (a) IFRS 9, 'Financial Instruments' is applicable on accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. This IFRS is under consideration of SECP and the relevant committee of the Institute. The Institute has yet to assess the impact of these changes on its financial statements.
- (b) IFRS 15, 'Revenue from Contracts with Customers' is applicable on accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of goods or services transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Institute has yet to assess the impact of this standard on its financial statements.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not yet relevant to the Institute and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for available for sale investments which are carried at fair value.



notes to the financial statements for the year ended june 30, 2017

- 3.2 The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the Institute's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, such differences are estimated to be insignificant and hence will not affect the true and fair presentation of the financial statements. The assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas where various assumptions and estimates are significant to the Institute's financial statements or where judgements were exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant and equipment and intangible assets [notes 4.1 and 4.2]
- (ii) Provision against interest free education loans [note 4.3]
- (iii) Realisable amounts of slow moving and obsolete stock of publications [note 4.7].

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment, if any, except for leasehold and freehold land which are stated at cost. Depreciation is charged on reducing balance method at the rates stated in note 5.2. Depreciation on additions is charged from the day on which the asset was available for use and on disposals, up to the day the asset has been in use. No amortization is provided on leasehold land as cost of renewing lease is nominal and realizable value is higher than cost.

Land acquired free of cost is accounted for at a nominal value as per Accounting Standard for Not for Profit Organisations issued by the Institute of Chartered Accountants of Pakistan.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognised prospectively as a change of accounting estimate.

Disposal of assets is recognised when significant risks and rewards incidental to the ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts and are recognised in the statement of comprehensive income.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income as and when incurred.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any, and consists of expenditure incurred and advances made in the course of construction and installation. These are transferred to specific assets as and when the assets are available for use.



notes to the financial statements

for the year ended june 30, 2017

4.2 Intangible assets

Intangible assets, which are stated at cost less accumulated amortisation and impairment losses, if any, represent the cost of computer software licenses and development cost of study pack materials.

Costs associated with maintaining these assets are charged to the statement of comprehensive income as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset.

All intangible assets are estimated to have definite useful lives and are amortised using the straight line method over a period of 3 years. Amortisation on addition is charged from the day on which asset is available for use while no amortisation is charged up to the day the asset is disposed-off.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values and useful lives is recognised prospectively as a change in accounting estimate.

4.3 Interest free education loans

These are stated at cost less an allowance for uncollectable amounts, if any. Specific provision is made for doubtful students' loans on the basis of analysis conducted as to the likelihood of students to pay-off the loan.

4.4 Financial instruments

4.4.1 Financial assets

The Institute classifies its financial assets in the following categories:

(a) Held to maturity

Financial assets with fixed or determinable payments and fixed maturities, where the Institute's management has intention and ability to hold till maturity are classified in this category.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

(c) Available-for-sale

These financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Recognition and measurement

Financial instruments are measured initially at fair value (transaction price) plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition, instruments classified as 'available for sale' are measured at fair value. Changes in the fair value of instruments classified as 'available for sale' are recognised in 'other comprehensive income' until derecognised or impaired, when the accumulated fair value adjustments recognised in other comprehensive income are included in the income or expenditure for the year.

Financial assets classified as 'held to maturity' or 'loans and receivables' are carried at amortised cost using the effective yield method, less impairment losses, if any.

The Institute follows trade date accounting for purchase and sale of investments.



notes to the financial statements for the year ended june 30, 2017

4.4.2 Financial liabilities

Financial liabilities are measured at amortised cost using the effective yield method.

4.5 Offsetting of financial instruments

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when the Institute has a legally enforceable right to off-set the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.6 Impairment

4.6.1 Impairment in financial assets

A financial asset is impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that loss event has an impact on the estimated future cash flows of financial asset that can be reliably estimated.

4.6.2 Impairment in non-financial assets

The carrying amounts of non financial assets are reviewed at each reporting date for impairment when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to the recoverable amount. The resulting impairment loss is taken to the statement of comprehensive income.

4.7 Stock of study packs, publications and souvenirs

Stock of study packs, publications and souvenirs are stated at lower of cost and net realizable value. Cost is determined on first-in first-out basis.

Net realizable value represents estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

4.8 Loans, advances, prepayments and other receivables

These are carried at fair value of the consideration to be received in future. An estimated provision is made against amounts considered doubtful of recovery whereas, amounts considered irrecoverable are written off.

4.9 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks and short term investments realizable within three months.

4.10 Employees benefits

The Institute's employees benefits comprise of provident fund and compensated absences for eligible employees.

(a) Defined contribution plan (Provident Fund)

The Institute operates an approved contributory provident fund for all its permanent eligible employees to which equal monthly contributions are made, both by the Institute and the employees at the rate of 10% of the basic salary.

(b) Compensated absences

The Institute accounts for compensated absences on the basis of earned unavailed leave balance of each employee at the balance sheet date. Provision is made to cover the obligation under the scheme on accrual basis.



notes to the financial statements

for the year ended june 30, 2017

4.11 Creditors, accrued and other liabilities

Liabilities for creditors and other amounts payable are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Institute.

4.12 Provisions

Provisions are recognised in the balance sheet when the Institute has a legal or constructive obligation as a result of past events and it is probable that out flow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.13 Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the Institute and revenue can be reliably measured. Revenue is recognised at fair value of consideration received or receivable. Revenue from different sources is recognised on the following basis:

- Income from subscription and fee from members and students is accounted for on receipt basis. Fee / subscription receipts relating to periods beyond the current financial year are shown as advance fee.
- Profit on investments is accrued on the basis of effective yield of respective investments.
- Profit on savings accounts is recognised on accrual basis.
- Donations received are deferred and recognised as income on systematic basis to match them with the related expenses which are intended to be compensated.

4.14 Foreign currency transactions and translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

4.15 Segment reporting

An operating segment is an identifiable component of the Institute that engages in activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Institute's other components. Operating segments are reported in a manner consistent with the internal reporting structure.

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. Segment results that are reported to the Council of the Institute include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.16 Related party transactions

Transactions with related parties are based on arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

4.17 Appropriation of funds

Appropriations of funds are recognised in the financial statements in the period in which these are approved.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
5. PROPERTY, PLANT AND EQUIPMENT			
Leasehold land - Preedy Street, Karachi	5.1	18	18
Operating fixed assets	5.2	223,601	235,480
Capital work in progress - civil works	5.3	5,541	11,400
		<u>229,160</u>	<u>246,898</u>

5.1 Leasehold land - Preedy Street, Karachi

The Institute's leasehold land at Preedy Street, Karachi, is occupied by squatters. The members in its 51st Annual General Meeting held on September 20, 2012, has authorised the Council to proceed for the sale of the Preedy Street land at best price available.

notes to the financial statements for the year ended june 30, 2017

5.2 Operating fixed assets

	Leasehold land	Freehold land	Building on leasehold land	Building on freehold land	Generators	Electric fittings and appliances	Furniture and fixtures	Vehicles	Office equipment	Library books - Regional Committees	Total
As at July 01, 2015											
Cost	1,601	4,581	103,889	29,452	15,413	61,421	51,778	54,820	79,537	1,836	404,328
Accumulated depreciation	-	-	(42,254)	(9,438)	(5,580)	(30,497)	(18,420)	(18,537)	(43,708)	(1,232)	(169,666)
Net book value	1,601	4,581	61,635	20,014	9,833	30,924	33,358	36,283	35,829	604	234,662
Year ended June 30, 2016											
Opening net book value	1,601	4,581	61,635	20,014	9,833	30,924	33,358	36,283	35,829	604	234,662
Additions	-	-	961	562	915	5,221	3,229	9,424	15,343	119	35,774
Disposals: (note 5.2.1)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	(6,803)	(179)	-	(6,982)
Accumulated depreciation	-	-	-	-	-	-	-	3,994	124	-	4,058
Depreciation for the year	-	-	-	-	-	-	-	(2,869)	(55)	-	(2,924)
Closing net book value	1,601	4,581	59,470	19,558	9,187	31,161	33,047	35,215	41,014	646	235,480
Year ended June 30, 2016											
Cost	1,601	4,581	104,850	30,014	16,328	66,642	55,007	57,441	94,701	1,955	433,120
Accumulated depreciation	-	-	(45,380)	(10,456)	(7,141)	(35,481)	(21,960)	(22,226)	(53,687)	(1,309)	(197,640)
Net book value	1,601	4,581	59,470	19,558	9,187	31,161	33,047	35,215	41,014	646	235,480
Year ended June 30, 2017											
Opening net book value	1,601	4,581	59,470	19,558	9,187	31,161	33,047	35,215	41,014	646	235,480
Additions	-	-	3,945	-	-	2,290	5,093	9,823	8,706	44	29,901
Disposals: (note 5.2.1)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	(541)	-	-	(95)	(2,013)	(1,597)	(14,439)	(3,575)	-	(22,260)
Accumulated depreciation	-	-	-	-	92	1,627	1,133	8,055	3,131	-	14,038
Written off: (note 26)	-	(541)	-	-	(3)	(386)	(464)	(6,384)	(444)	-	(8,222)
Cost	-	-	(743)	-	-	(1,215)	(526)	-	(828)	-	(3,312)
Accumulated depreciation	-	-	337	-	-	851	308	-	756	-	2,252
Depreciation for the year	-	-	(406)	-	-	(364)	(218)	-	(72)	-	(1,060)
Closing net book value	1,601	4,040	59,927	18,580	7,806	27,900	33,858	31,253	38,025	611	223,601
Year ended June 30, 2017											
Cost	1,601	4,040	108,052	30,014	16,233	65,704	57,977	52,825	99,004	1,999	437,449
Accumulated depreciation	-	-	(48,125)	(11,434)	(8,427)	(37,804)	(24,119)	(21,572)	(60,979)	(1,388)	(213,848)
Net book value	1,601	4,040	59,927	18,580	7,806	27,900	33,858	31,253	38,025	611	223,601
Annual rate of depreciation (% per annum)	-	-	5	5	15	10 - 20	10 - 20	20	10 - 33	10 - 33	-





notes to the financial statements for the year ended june 30, 2017

5.2.1 The detail of operating fixed assets disposed off during the year are as follows:

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/(loss)	Mode of Disposal	Particulars of buyers
Rs. '000							
Freehold land (note 5.2.2)	541	-	541	15,859	15,318	Market Value	Lahore Development Authority (LDA)
Electric fittings and appliances							
Air conditioners	1,965	1,580	385	315	(70)	Tender	Mr. Waqar Ahmed, Mr. Rana Mukhtar and Mr. Dev Anand
Furniture and fixtures							
Chairs	770	511	259	96	(163)	Tender	Mr. Abdullah Shahid and Mr. Dev Anand
Tables	189	112	77	34	(43)	Tender	Mr. Abdullah Shahid
	959	623	336	130	(206)		
Vehicles							
Honda Citi	1,393	984	409	1,159	750	Tender	Mr. Noman Ahmed Siddiqui
Suzuki Cultus	590	533	57	466	409	Tender	Mr. Ali Abbas
Suzuki Alto	593	482	111	437	326	Tender	Mr. Khurram Ayub
Suzuki Cultus	953	649	304	726	422	Tender	Mr. Noman Hassan Khan
Suzuki Cultus	1,022	583	439	827	388	Tender	Mr. Noman Hassan Khan
Suzuki Cultus	1,030	525	505	837	332	Tender	Mr. Noman Hassan Khan
Suzuki Cultus	1,060	491	569	857	288	Tender	Mr. Noman Hassan Khan
Suzuki Cultus	925	650	275	480	205	As per Institute's policy	Mr. Arsalan Aftab, Employee
Toyota Corolla	1,493	1,000	493	880	387	As per Institute's policy	Mr. Omair Jamal, Employee
Suzuki Cultus	953	672	281	584	303	As per Institute's policy	Mr. Shujaat Hussain Haideri, Employee
Honda Citi	1,538	673	865	1,080	215	As per Institute's policy	Mr. M. Faheem Siddiqui, Employee
Suzuki Cultus	1,006	689	317	580	263	As per Institute's policy	Mr. Mohammad Ali Durrani, Employee
Toyota Corolla	1,883	124	1,759	1,759	-	Insurance claim	M/s. National Insurance Company Limited
	14,439	8,055	6,384	10,672	4,288		
Office equipment							
Card printing machine	280	207	73	29	(44)	Tender	Mr. Dev Anand
Laptops	216	129	87	87	-	Insurance claim	M/s. National Insurance Company Limited
	496	336	160	116	(44)		
Aggregate of other items of property, plant and equipment with individual book values less than Rs. 50,000/-	3,860	3,444	416	150	(266)		
June 30, 2017	22,260	14,038	8,222	27,242	19,020		
June 30, 2016	6,982	4,058	2,924	3,618	694		

5.2.2 Certain portion of the freehold land of the Institute's Lahore office has been acquired by Lahore Development Authority (LDA) for the Orange Line Train Project. The Government has compensated the Institute by paying an amount of Rs. 15.9 million against the portion of land so acquired.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016 ----- Rupees '000 -----
5.3 Movement of carrying amount			
Opening balance		11,400	-
Additions (at cost)		763	11,591
Transfer to property, plant and equipment		(6,622)	(191)
Closing balance		<u>5,541</u>	<u>11,400</u>
6. INTANGIBLE ASSETS			
	Computer software licenses	Development cost of study pack materials	Total
	----- Rupees '000 -----		
As at June 30, 2015			
Cost	3,576	21,114	24,690
Accumulated amortisation	(3,393)	(10,528)	(13,921)
Net book value	<u>183</u>	<u>10,586</u>	<u>10,769</u>
Year ended June 30, 2016			
Opening net book value	183	10,586	10,769
Additions	1,521	4,934	6,455
Amortisation charges	(205)	(7,472)	(7,677)
Closing net book value	<u>1,499</u>	<u>8,048</u>	<u>9,547</u>
As at June 30, 2016			
Cost	5,097	26,048	31,145
Accumulated amortisation	(3,598)	(18,000)	(21,598)
Net book value	<u>1,499</u>	<u>8,048</u>	<u>9,547</u>
Year ended June 30, 2017			
Opening net book value	1,499	8,048	9,547
Deletions/write off:			
Cost	3,229	-	3,229
Less: Accumulated amortisation	(3,229)	-	(3,229)
	-	-	-
Amortisation charges	(560)	(5,174)	(5,734)
Closing net book value	<u>939</u>	<u>2,874</u>	<u>3,813</u>
As at June 30, 2017			
Cost	1,868	26,048	27,916
Accumulated amortisation	(929)	(23,174)	(24,103)
Net book value	<u>939</u>	<u>2,874</u>	<u>3,813</u>
Rate of amortisation	<u>33%</u>	<u>33%</u>	

- 6.1 Intangible assets as at June 30, 2017 include items having an aggregate cost of Rs. 3.49 million (2016: Rs. 3.33 million) that have been fully amortised and are still in use of the Institute.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016 ----- Rupees '000 -----
7. LONG TERM INVESTMENTS			
Held to maturity			
General Fund	7.1	199,764	389,768
Specific Fund: Prize Fund	7.2	1,482	1,487
Endowment Funds	7.3	44,797	54,880
Southern Regional Committee	7.4	20,829	19,737
Benevolent Fund	7.5	75,292	69,719
		<u>342,164</u>	<u>535,591</u>
7.1 General Fund			
Certificates of Islamic Investments	7.1.1	115,000	75,000
Pakistan Investment Bonds	7.1.2	334,482	357,568
Less: Maturing within one year, classified under short term investments	10.1	(266,851)	(58,370)
		<u>67,631</u>	<u>299,198</u>
Certificates of Deposit	7.1.3	17,133	15,570
		<u>199,764</u>	<u>389,768</u>
7.1.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 115 million (June 30, 2016: Rs. 75 million). These certificates carry profit at the rates ranging from 5.97% to 6.00% (June 30, 2016: 5.99% to 8.04%) per annum and are maturing on various dates upto February 16, 2024.			
7.1.2 This represents investment in Pakistan Investment Bonds (PIBs) having aggregate face value of Rs. 332.65 million (June 30, 2016: Rs. 358.04 million). Profit is receivable on half yearly basis, with yield at rates ranging from 6.99% to 12.47% (June 30, 2016: 7.90% to 12.47%) per annum. These PIBs have term of five years and are maturing on various dates upto April 21, 2021			
7.1.3 This represents Certificates of Deposit of a financial institution aggregating to Rs. 15 million (June 30, 2016: Rs. 15 million). These certificates carry mark-up at rate of 10.42% (June 30, 2016: 10.42%) per annum and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 2.13 million (June 30, 2016: Rs. 0.57 million) is included in the carrying value.			



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
7.2 Specific Fund: Prize Fund			
Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bond	7.2.2	482	982
Less: Maturing within one year, classified under Short Term Investments	10.2	-	(495)
		482	487
		1,482	1,487

7.2.1 This represents Certificate of Islamic Investment of a bank amounting to Rs. 1 million (June 30, 2016: Rs. 1 million). This certificate carries profit at rates ranging from 5.97% to 6.00% (June 30, 2016: 5.99% to 8.04%) per annum and is maturing on February 13, 2022.

7.2.2 This represents investment in Pakistan Investment Bond (PIB) having face value of Rs. 0.47 million (June 30, 2016: Rs. 0.96 million). Profit is receivable on half yearly basis, with yield at the rate of 8.02% (June 30, 2016: 8.02% to 11.85%) per annum. This PIB has a term of five years and is maturing on March 26, 2020.

	Note	2017 ----- Rupees '000 -----	2016
7.3 Endowment Funds			
Students' Endowment Fund			
Certificates of Islamic Investments	7.3.1	42,000	42,000
Pakistan Investment Bonds	7.3.2	8,992	34,786
Less: Maturing within one year, classified under Short Term Investments	10.3	(8,124)	(25,865)
		868	8,921
Libraries Development Fund			
Pakistan Investment Bonds	7.3.3	3,960	6,909
Less: Maturing within one year, classified under Short Term Investments	10.3	(2,031)	(2,950)
		1,929	3,959
		44,797	54,880

7.3.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 42 million (June 30, 2016: Rs. 42 million). Profit is receivable on monthly basis at rates ranging from 5.97% to 6.00% (June 30, 2016: 5.99% to 8.04%) per annum and are maturing on various dates upto June 30, 2022.

7.3.2 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 8.97 million (June 30, 2016: Rs. 34.84 million). Profit is receivable on half yearly basis, with yield at rates ranging from 8.02% to 12.42% (June 30, 2016: 8.02% to 12.42%) per annum. These PIB's have a term of five years and are maturing on March 26, 2020.



notes to the financial statements

for the year ended june 30, 2017

7.3.3 This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 3.91 million (June 30, 2016: Rs. 6.86 million). Profit is receivable on half yearly basis, with yield at rates ranging from of 8.02% to 12.42% (June 30, 2016: 8.02% to 12.42%) per annum. These PIB's have a term of five years and are maturing on March 26, 2020.

7.4 Southern Regional Committee

Certificates of Islamic Investments	7.4.1	<u>20,829</u>	<u>19,737</u>
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7.4.1 This represents Certificates of Islamic Investments of a bank aggregating to Rs. 20.38 million (June 30, 2016: Rs. 19.38 million). These certificates carry profit at rates ranging from 5.26% to 5.61% (June 30, 2016: 5.27% to 7.88%) per annum and are maturing on various dates upto June 29, 2022. Accrued profit aggregating to Rs. 0.45 million (June 30, 2016: Rs. 0.35 million) is included in the carrying value.

	Note	2017 ----- Rupees '000 -----	2016
7.5 Benevolent Fund			
Defence Savings Certificates	7.5.1	4,587	4,092
Special Savings Certificates	7.5.2	70,705	65,627
		<u>75,292</u>	<u>69,719</u>

7.5.1 This represents investment in Defence Savings Certificates, having aggregate face value of Rs. 2 million (June 30, 2016: Rs. 2 million). These certificates have been placed for a term of ten years, maturing on April 6, 2020. These certificates carry mark-up at the rate of 12.10% (June 30, 2016: 12.10%) per annum. Accrued mark-up aggregating to Rs. 2.59 million (June 30, 2016: Rs. 2.09 million) is included in the carrying value.

7.5.2 This represents investment in Special Savings Certificates, having aggregate face value of Rs. 62 million (June 30, 2016: Rs. 62 million). These certificates have been placed for a term of three years and are maturing on September 28, 2018. These certificates carry effective mark-up at rate of 7.74% (June 30, 2016: 7.74%) per annum. Accrued mark-up aggregating to Rs. 8.71 million (June 30, 2016: Rs. 3.63 million) is included in the carrying value.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
8. LOANS, ADVANCES AND DEPOSITS			
Motor cycle loans (secured - considered good)	8.1	1,044	1,014
Less: Recoverable within one year grouped under current assets	11	(347)	(325)
		697	689
Advances (secured - considered good)	8.2 & 8.3	3,039	2,150
Less: Recoverable within one year grouped under current assets	11	(1,173)	(642)
		1,866	1,508
Interest free education loans - unsecured considered good		1,531	1,593
considered doubtful		3,194	3,233
		4,725	4,826
Less: Impairment allowance against doubtful loans		(3,194)	(3,233)
		1,531	1,593
Advance rent		-	165
Advance against purchase of property, plant and equipment	8.4	8,967	-
Deposits	8.5	150,808	3,852
		163,869	7,807

8.1 These represent interest free loans to the employees of the Institute for purchase of motor cycles and are recoverable in monthly instalments over the period of five years. Motor cycles provided under this scheme are registered in joint names of the Institute and employees. These loans are secured against employees' vested retirement benefits.

8.2 These represent interest free special advances which are given to employees for various reasons in accordance with Institute's policy. These advances are recoverable in 60 equal monthly instalments and are secured against employees retirement benefits. Effect of amortisation is considered immaterial.

8.3 This includes Rs. 1.22 million (2016: Rs. 0.92 million) due from key management personnel.

8.4 This represents advance against purchase of vehicles.

8.5 This includes deposit of Rs. 147 million paid to Lahore Development Authority (LDA) for purchase of land measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore through auction which represents approximately one third of the total price of Rs. 440.20 million.

Subsequent to the year end, as per the terms of the auction, LDA has completed the bid process and issued a letter dated August 1, 2017 to the Institute confirming the acceptance of the bid submitted. The balance is payable by August 23, 2017.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
9. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVINEERS			
Stock of study packs		7,971	8,010
Stock of publications and souvenirs		10,929	10,197
		<u>18,900</u>	<u>18,207</u>
Less: Provision for obsolete stock	9.1	-	(883)
		<u>18,900</u>	<u>17,324</u>
9.1 Provision for obsolete stock comprises:			
Balance at the beginning of the year		883	-
Provision recognised during the year		-	883
Provision written off during the year		(883)	-
Balance at the end of the year		<u>-</u>	<u>883</u>
10. SHORT TERM INVESTMENTS			
Held to maturity			
General Fund	10.1	287,949	108,379
Specific Fund: Prize Fund	10.2	3,246	3,215
Endowment Funds	10.3	41,274	28,815
Southern Regional Committee	10.4	3,357	3,300
Northern Regional Committee	10.5	5,112	9,081
Benevolent Fund	10.6	18,591	16,395
Available for sale			
Benevolent Fund	10.6	5,670	6,153
		<u>365,199</u>	<u>175,338</u>
10.1 General Fund			
Held to maturity			
Certificate of Investment	10.1.1	21,098	50,009
Pakistan Investment Bonds	7.1	266,851	58,370
		<u>287,949</u>	<u>108,379</u>

10.1.1 This represents certificate of investment of financial institutions having face value of Rs. 20 million (June 30, 2016: Rs. 50 million). This certificate carries profit at the rate of 6.30% (June 30, 2016: 6.30%) per annum and is maturing on August 16, 2017. Accrued profit amounting to Rs. 1.09 million (June 30, 2016: Rs. 0.009 million) is included in the carrying value.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
10.2 Specific Fund: Prize Fund			
Term Deposit Receipts	10.2.1	3,246	2,720
Pakistan Investment Bonds	7.2	-	495
		<u>3,246</u>	<u>3,215</u>

10.2.1 This represents investment in Term Deposit Receipts (TDRs) of financial institutions, having aggregate face value of Rs. 3.2 million (June 30, 2016: Rs. 2.7 million). These TDRs carry mark-up at rates ranging from 5.70% to 6.30% (June 30, 2016: 6.00% to 6.10%) per annum and are maturing on various dates upto April 02, 2018. Accrued mark-up aggregating Rs. 0.046 million (June 30, 2016: Rs. 0.02 million) is included in the carrying value.

	Note	2017 ----- Rupees '000 -----	2016
10.3 Endowment Funds			
Students' Endowment Fund			
Held to maturity			
Term Deposit Receipt	10.3.1	27,427	-
Pakistan Investment Bond	7.3	8,124	25,865
		<u>35,551</u>	<u>25,865</u>
Libraries Development Fund			
Held to maturity			
Term Deposit Receipt	10.3.2	3,692	-
Pakistan Investment Bond	7.3	2,031	2,950
		<u>5,723</u>	<u>2,950</u>
		<u>41,274</u>	<u>28,815</u>

10.3.1 This represents Term Deposit Receipt (TDR) of a financial institution having face value of Rs. 26 million (June 30, 2016: Nil). This TDR carries mark-up at the rate of 6.30% (June 30, 2016: Nil) and is maturing on August 16, 2017. Accrued mark-up aggregating to Rs. 1.427 million (June 30, 2016: Nil) is included in the carrying value.

10.3.2 This represents Term Deposit Receipt (TDR) of a financial institution having face value of 3.5 million (June 30, 2016: Nil). This TDR carries mark-up at the rate of 6.30% (June 30, 2016: Nil) and is maturing on August 16, 2017. Accrued mark-up aggregating to Rs. 0.192 million (June 30, 2016: Nil) is included in the carrying value.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
10.4 Southern Regional Committee			
Certificates of Islamic Investments	10.4.1	3,357	3,300
10.4.1 This represents Certificates of Islamic Investments, issued by a bank having face value aggregating to Rs. 3.3 million (June 30, 2016: Rs. 3.30 million). These certificates carry profit at rates ranging from 4.79% to 5.60% (June 30, 2016: 4.80% to 7.63%) per annum and are maturing on various dates upto June 25, 2018.			
10.5 Northern Regional Committee			
Certificates of Islamic Investments	10.5.1	5,112	9,081
10.5.1 This represents Certificates of Islamic Investments having face value of Rs. 5.00 million (June 30, 2016: Rs. 9.00 million). These certificates carry profit at rates ranging from 4.50% to 4.67% (June 30, 2016: 4.59% to 6.48%) per annum and are maturing on January 5, 2018.			
10.6 Benevolent Fund			
Held to maturity			
Treasury bills		-	9,894
Certificates of investments	10.6.1	18,591	6,501
		18,591	16,395
Available for sale			
Investments in equity shares	10.6.2	5,670	6,153
		24,261	22,548
10.6.1 This represent Certificates of Investments aggregating to Rs. 18 million (June 30, 2016: Rs. 6.5 million). These certificates carry mark-up at rates ranging from 6.15% to 6.30% (June 30, 2016: 6.20%) per annum and are maturing on various dates upto September 04, 2017. Accrued mark-up aggregating to Rs. 0.591 million (June 30, 2016: Rs. 0.001 million) is included in the carrying value			



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
10.6.2 Investments in equity shares			
The Hub Power Company Limited			
As on July 01		4,804	3,744
(Deficit) / Surplus on re-measurement		(106)	1,060
Market value of 40,000 ordinary shares as on June 30,		4,698	4,804
Fauji Fertilizer Company Limited			
As on July 01		1,349	1,757
(Deficit) on re-measurement		(377)	(408)
Market value of 11,767 ordinary shares as on June 30,		972	1,349
		5,670	6,153
11 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Current portion of :	8		
Motor Cycle loans		347	325
Long term advance		1,173	642
		1,520	967
Advances: (considered good)			
Secured:			
Executives (key management personnel)		641	858
Employees		680	674
		1,321	1,532
Unsecured:			
Income tax		5,902	3,689
Rent		3,061	2,860
Suppliers and others		1,504	1,728
		10,467	8,277
Less: Impairment allowance against advance income tax		(5,902)	(3,689)
		4,565	4,588
Prepayments		4,557	3,684
Other receivables (considered good)	11.1	9,551	12,404
		21,514	23,175



notes to the financial statements for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016 ----- Rupees '000 -----
11.1 Other receivables (considered good)			
Advertisement income receivable		98	69
Due on account of rental of facilities		96	-
Due in respect of seminar and conference		1,182	5,727
Due from Employees' Provident Fund		-	81
Fee in transit	11.1.1	2,818	4,478
Miscellaneous	11.1.2	5,357	2,049
		<u>9,551</u>	<u>12,404</u>

11.1.1 This represents fee in transit against membership fee to be received through a bank.

11.1.2 This includes Rs. 0.18 million (2016: Rs. 0.43 million) receivable from Council Members and insurance claim receivable amounting to Rs. 1.85 million (2016: Rs. Nil).

	Note	2017 ----- Rupees '000 -----	2016 ----- Rupees '000 -----
12 ACCRUED INCOME ON INVESTMENTS			
Accrued income on :			
Term deposit receipts / Certificates of			
Islamic investments		1,001	979
Pakistan Investment Bonds		14,494	18,593
		<u>15,495</u>	<u>19,572</u>
13 CASH AND BANK BALANCES			
General Fund			
Cash in hand			
Local currency		219	444
Foreign currency		38	147
		<u>257</u>	<u>591</u>
Cash at banks in :			
Current accounts			
Local currency		5,059	4,108
Foreign currency		105	105
		<u>5,164</u>	<u>4,213</u>
PLS Saving accounts			
Local currency	13.1	44,502	54,036
Foreign currency	13.2	404	1,055
		<u>44,906</u>	<u>55,091</u>
Prize Fund			
Cash at bank in PLS Saving accounts	13.1	375	845



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
Students' Endowment Fund			
Cash at banks in:			
Current accounts		-	839
PLS Saving accounts	13.1	3,512	2,553
		3,512	3,392
Southern Regional Committee			
Cash in hand		25	16
Cash at banks in:			
Current accounts		1,197	140
PLS Saving accounts	13.1	482	741
		1,679	881
Northern Regional Committee			
Cash in hand		51	53
Cash at banks in:			
Current account		723	628
PLS Saving accounts	13.1	248	1,728
		971	2,356
Benevolent Fund			
Cash at banks in:			
PLS Saving accounts	13.1	782	1,847
		57,722	69,285

13.1 These carry mark-up at rates upto 5.75% (2016: upto 5.50%) per annum.

13.2 These carry mark-up at rates upto 0.10% (2016: upto 0.10%) per annum.

14 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		22,241	34,942
Accrued liabilities	14.1	53,223	35,921
Other liabilities			
Chartered Accountant Students' Association (CASA)		567	532
Retention money		615	854
IFRS Foundation royalty		150	456
Others	14.1	4,923	3,629
		6,255	5,471
		81,719	76,334

14.1 This includes Rs. 0.63 million (2016: Rs. 0.19 million) and Rs. 0.35 million (2016: Rs. 0.33 million) payable to Council Members and key management personnel respectively.



notes to the financial statements

for the year ended june 30, 2017

	2017	2016
	----- Rupees '000 -----	----- Rupees '000 -----
15 FEE AND CHARGES RECEIVED IN ADVANCE		
Fee received in advance from / on account of:		
Members	23,117	25,603
Examinations	10,459	52,759
Others	2,931	3,353
Advance insurance premium from members	1,580	2,717
	<u>38,087</u>	<u>84,432</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 The Appellate Bench of the Competition Commission of Pakistan (the Commission) has passed an order, dated March 11, 2009, in response to an appeal filed by the Institute against an order, dated December 4, 2008, of single member bench of the Commission. In both the orders, it was contended that fixing of minimum fee, through ATR-14 by the Institute, is in violation of section 4(1) of the Competition Ordinance, 2007 and imposed a penalty of Rs. 1 million as a result thereof. The Institute has filed an appeal before the Honorable Supreme Court of Pakistan which was pending for hearing in the year 2009. During the pendency of the appeal the Competition Commission Ordinance, 2010 was promulgated on March 26, 2010. On June 01, 2017, in view of the change in law, the appeal was disposed off by the Supreme Court by transferring it to the Competition Appellate Tribunal constituted under the Competition Act, 2010. The Institute has a fair case, therefore, no accrual has been made in these financial statements relating to the above referred penalty.

16.2 The Competition Commission of Pakistan (the Commission) passed an order dated January 10, 2013, wherein it has held that ICAP circular dated July 4, 2012, refraining the training organisations from engaging trainees of other accounting bodies is in violation of section 4 of the Competition Act, 2010, and a penalty of Rs. 25 million was also imposed. The Institute has filed a writ petition in the Honorable Lahore High Court against the aforementioned order in addition to appeal filed before Competition Appellate Tribunal.

The Honorable High Court in the interim order dated October 23, 2013, has confirmed that the penalty imposed by the Commission, in the above referred order of the Commission, shall not be recovered till final disposal of the writ petition. Based on legal advice, the Institute expects a favourable outcome of the legal proceedings, therefore, no provision has been made in these financial statements against such liability/amount.



notes to the financial statements

for the year ended june 30, 2017

- 16.3 Sindh Revenue Board issued a notice to the Institute dated May 27, 2015, demanding Sindh Sales Tax amounting to Rs. 37.77 million on the grounds that the Institute has charged fee from its members for authorization to practice as chartered accountants, treating it as franchising fee which is chargeable to tax under Sindh Sales tax on Services Act, 2011. The Institute filed a petition in the Honorable High Court of Sindh against the aforementioned notice, and the said notice was suspended till the next date of hearing by the Honorable High Court vide its order dated June 11, 2015. Based on legal advice, the Institute expects a favourable outcome of the legal proceedings; therefore, no provision has been made in these financial statements against such liability/amount.
- 16.4 Commitments in respect of capital expenditure as at the reporting date aggregated to Rs. 329 million (2016: Rs. 15.40 million). This includes Rs. 293.2 million against purchase of land from Lahore Development Authority (note 8.5).

	Note	2017	2016
		----- Rupees '000 -----	
17 MEMBERS' SUBSCRIPTION			
Annual subscription	17.1	126,566	113,010
Admission fee		1,452	1,698
Practicing certificate fee		16,530	15,177
Foreign affiliation fee		-	121
Duplicate identity card fee		74	107
		<u>144,622</u>	<u>130,113</u>
17.1 Annual subscription			
General Fund		104,727	92,294
Southern Region		3,158	2,953
Northern Region		2,369	2,182
Benevolent Fund		16,312	15,581
		<u>126,566</u>	<u>113,010</u>
18 EXAMINATION AND OTHER FEES			
Examination fee		478,983	476,084
Annual subscription from students		34,182	29,940
Fee for duplicate certificates		2,712	2,509
		<u>515,877</u>	<u>508,533</u>



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
19 EDUCATION AND TRAINING FEES			
Registration fee		114,232	99,144
Registered Accounting Education Tutors' fee		2,400	1,360
Training organization fee		2,533	351
		<u>119,165</u>	<u>100,855</u>
20 PUBLICATIONS			
Accounting Standards		5,704	2,592
Auditing Standards		2,522	1,016
Study packs	20.1	2,463	2,435
Gripping IFRS		160	242
Miscellaneous		1,387	1,482
		<u>12,236</u>	<u>7,767</u>
20.1 This represent income generated from sale of study packs to members, RAETs and others.			
21 OTHER INCOME			
Income derived from utilisation of facilities		4,597	4,292
Gain on sale of property, plant and equipment - net	5.2.1	19,020	694
Surplus on Directors' Training Programs	21.1	3,205	19,484
Donation received during the year		4,205	-
Miscellaneous		763	601
		<u>31,790</u>	<u>25,071</u>
21.1 Surplus on Directors' Training Programs			
Fee received for the training		9,380	34,337
Less: Expenses incurred on training		(6,175)	(14,853)
		<u>3,205</u>	<u>19,484</u>
22 SALARIES, ALLOWANCES AND OTHER BENEFITS			

Salaries, allowances and other benefits include Rs. 13.048 million (2016: Rs. 11.361 million) in respect of staff retirement benefits.



notes to the financial statements

for the year ended june 30, 2017

	Note	2017	2016
		----- Rupees '000 -----	
23 TRAVELING AND RELATED EXPENSES			
Expenses incurred in respect of meetings and conferences attended by:			
Members of the Council		15,068	14,072
Members of the Committees		2,115	2,010
Staff of the Institute			
Secretary, Directors and other executives		5,284	5,009
Other staff		5,534	4,200
		10,818	9,209
		28,001	25,291
24 STUDY PACKS AND OTHER PUBLICATIONS			
Study packs:			
Opening stock		8,010	4,410
Cost of publication of study packs		29,764	28,415
Less: Closing stock		(7,971)	(8,010)
		29,803	24,815
Other publications		14,848	10,147
		44,651	34,962
25 FINANCIAL ASSISTANCE TO STUDENTS			
This represents disbursement made out of Students' Endowment Fund.			
26 OTHERS			
Fee to professional bodies		5,416	4,560
Auditors' remuneration	26.1	840	778
Meeting and related expenses		1,549	1,482
Books and publications		802	614
Conveyance		383	296
Entertainment / meeting expenses		3,070	2,452
Bank charges		5,644	4,957
Insurance		2,512	2,879
Obsolete stock written off / provision for obsolete stock		969	883
Impairment allowance against advance income tax		2,212	255
Impairment allowance for doubtful students' loans	8	-	533
Training expenses		6,474	2,001
Online Education and Research Facility		1,705	1,694
Honoraria to article writers		334	247
Sports and recreation		658	514



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016 ----- Rupees '000 -----
Exchange loss - net		35	-
Property, plant and equipment written off	5.2	1,060	-
Net deficit from seminar, conferences and other events		7,581	777
Sundry expenses		5,489	2,233
		<u>46,733</u>	<u>27,155</u>
26.1 Auditors' remuneration			
Audit fee			
Qasim Ebrahim Causer		350	320
Syed Aftab Hameed		350	320
		<u>700</u>	<u>640</u>
Out of pocket expenses		140	138
		<u>840</u>	<u>778</u>
27 INCOME FROM INVESTMENTS			
General Fund			
Markup / profit on:			
Term Deposit Receipts / Certificates of Islamic Investment		15,791	5,618
Pakistan Investment Bonds		34,646	39,168
PLS saving accounts		6,887	6,511
		<u>57,324</u>	<u>51,297</u>
Exchange gain - net		-	87
		<u>57,324</u>	<u>51,384</u>
Specific Fund		308	396
Endowment Funds		5,875	7,912
Southern Regional Committee		1,291	1,406
Northern Regional Committee		298	545
Benevolent Fund		7,257	7,079
		<u>72,353</u>	<u>68,722</u>
28 CASH AND CASH EQUIVALENTS			
For the purpose of statement of cash flows, cash and cash equivalents comprise of following:			
Cash and bank balances		57,722	69,285
Short term investments realisable within three months		309,833	97,569
		<u>367,555</u>	<u>166,854</u>



notes to the financial statements

for the year ended june 30, 2017

29 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Institute comprise of employees retirement benefit plans and key management personnel. Amounts due from and to related parties are shown under receivables and payables. Other significant transaction with related parties are as follows:

Relationship with the Institute	Nature of transactions	2017	2016
		----- Rupees '000 -----	
Staff retirement benefit plans:	Contribution paid to:		
	Provident Fund	13,048	11,361
Key management personnel:			
Secretary, Directors and other Executives	Consideration received against sale of fixed assets	3,124	3,112
	Managerial remuneration	126,982	105,223
	Reimbursement of expenses	4,358	4,503
Members of the council	Membership fee received	613	577
	Reimbursement of expenses	6,496	5,482

29.1 Detail of expenses incurred in respect of traveling of members of the council, members of the committees, secretary, directors and other executives of the Institute are disclosed in note 23.

29.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute directly or indirectly. The Institute considers all members of the Council, Secretary, Executive Directors, Directors and Senior Managers as its key management personnel.

30. REMUNERATION AND BENEFITS OF SECRETARY, DIRECTORS AND OTHER EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration including certain benefits to secretary, directors and senior managers of the Institute are as follows:

	Secretary		Directors and Other Executives	
	2017	2016	2017	2016
	----- Rs. '000 -----			
Managerial remuneration	4,580	11,435	121,820	93,311
Defined contribution plan - employee provident fund	115	-	6,227	4,883
Annual membership fee	-	20	495	457
Fuel, maintenance and utilities	109	-	4,089	3,940
	4,804	11,455	132,631	102,591
Number of persons	1	1	39	31



notes to the financial statements

for the year ended june 30, 2017

- 30.1 The President and members of the Council are not given any remuneration or benefits. They are only reimbursed traveling and related expenses where they represent the Institute or participate in the Institute's meetings.
- 30.2 The Secretary, Executive Directors, Directors and certain executives of the Institute are also provided with the Institute's maintained cars/monetization allowance in lieu thereof.
- 30.3 The Secretary was appointed on February 06, 2017.

31. SEGMENT INFORMATION

Management has determined the operating segments based on the information that is presented to the Council of the Institute for allocation of resources and assessment of performance. The Institute is organised into the following operating segments:

31.1 Service segments:

The Institute has following four reportable segments on the basis of services characteristics:

(i) Examination (ii) Education (iii) Membership and (iv) General services

31.1.1 Basis of allocation:

Service provided/rendered directly to students are allocated to examination and education departments whereas member related income and expenditures are allocated directly to membership department. Remaining income and expenditures are allocated to general services.

31.1.2 Segment revenues and results:

2017	Examination	Education	Membership	General Services	Total
	----- Rs. '000 -----				
Income					
- from members	-	-	144,622	-	144,622
- from students	515,877	119,165	-	-	635,042
- others	-	-	-	44,026	44,026
	515,877	119,165	144,622	44,026	823,690
Expenditure (31.1.3)	(261,514)	(124,774)	(143,178)	(212,035)	(741,501)
					82,189
Income from investments and surplus on remeasurement of investment - unallocated					71,870
Excess of income over expenditure					154,059



notes to the financial statements

for the year ended june 30, 2017

2016	Examination	Education	Membership	General Services	Total
	Rs. '000				
Income					
- from members	-	-	130,113	-	130,113
- from students	508,533	100,855	-	-	609,388
- others	-	-	-	32,838	32,838
	508,533	100,855	130,113	32,838	772,339
Expenditure (31.1.4)	(222,213)	(116,698)	(119,281)	(193,886)	(652,078)
					120,261
Income from investments and surplus on remeasurement of investment - unallocated					69,374
Excess of income over expenditure					189,635

31.1.3 Expenditure

2017	Examination	Education	Membership	General Services	Total
	Rs. '000				
Salaries, allowances and other benefits	79,067	34,367	54,703	108,154	276,291
Examination charges	114,832	-	-	-	114,832
Depreciation	8,450	3,900	4,550	15,598	32,498
Traveling and related expenses	6,985	942	18,339	1,735	28,001
Study packs and other publications	-	37,414	390	6,847	44,651
Utilities	6,206	2,864	3,342	11,458	23,870
Postage and telephone	4,617	2,131	2,486	8,524	17,758
Repairs and maintenance	7,841	3,619	4,222	14,474	30,156
Printing and stationery	4,165	2,150	4,079	4,803	15,197
Rent, rates and taxes	37	124	26	16,469	16,656
Advertisement and exhibition	-	17,061	372	1,588	19,021
Amortisation of intangible assets	1,491	688	803	2,752	5,734
Financial assistance to students	-	9,839	-	-	9,839
Financial assistance to members and/or families	-	-	21,462	-	21,462
Gold medals and award ceremony	7,532	-	-	-	7,532
Edhi CA talent program	-	5,575	-	-	5,575
Vehicles maintenance and running cost	1,936	689	1,737	1,916	6,278
Legal and professional charges	7,529	-	10,540	1,348	19,417
Others	10,826	3,411	16,127	16,369	46,733
	261,514	124,774	143,178	212,035	741,501

31.1.4 Expenditure

2016	Examination	Education	Membership	General Services	Total
	Rs. '000				
Salaries, allowances and other benefits	70,064	33,241	56,641	100,548	260,494
Examination charges	98,593	-	-	-	98,593
Depreciation	9,263	3,514	3,833	15,332	31,942
Traveling and related expenses	5,874	845	16,921	1,651	25,291
Study packs and other publications	-	34,962	-	-	34,962
Utilities	6,673	2,531	2,761	11,045	23,010
Postage and telephone	4,967	1,885	2,055	8,222	17,129
Repairs and maintenance	9,298	3,527	3,848	15,390	32,063
Printing and stationery	3,164	2,589	2,374	5,606	13,733
Rent, rates and taxes	13	7	17	14,626	14,663
Advertisement and exhibition	84	15,446	917	1,871	18,318
Amortisation of intangible assets	2,226	845	921	3,685	7,677
Financial assistance to students	-	8,807	-	-	8,807
Financial assistance to members and/or families	-	-	16,040	-	16,040
Gold medals and award ceremony	5,249	-	-	-	5,249
Edhi CA talent program	-	4,179	-	-	4,179
Vehicles maintenance and running cost	1,736	1,062	1,742	1,797	6,337
Legal and professional charges	14	-	3,731	2,691	6,436
Others	4,995	3,258	7,480	11,422	27,155
	222,213	116,698	119,281	193,886	652,078



notes to the financial statements

for the year ended june 30, 2017

31.1.5 Other information

	Examination	Education	Membership	General Services	Total
	----- Rs. '000 -----				
2017					
Segment assets employed	38,113	21,144	31,793	342,393	433,443
Unallocated assets					784,393
Total assets					1,217,836
Segment liabilities employed	24,075	4,520	29,128	62,083	119,806
2016					
Segment assets employed	44,176	30,684	24,718	215,198	314,776
Unallocated assets					789,761
Total assets					1,104,537
Segment liabilities employed	74,087	7,308	36,197	43,174	160,766

31.1.6 Segment assets primarily consist of property, plant and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

31.2 Geographical segments

The Institute has determined following main geographical segments representing 10% or more of the total income:

(i) Karachi (ii) Lahore (iii) Islamabad & Rawalpindi (iv) Others including overseas

Geographical segment information is also presented in South (includes provinces namely Sindh and Baluchistan) and North (includes provinces namely Punjab, Khyber Pakhtunkhwa and Gilgit Biltistan) regions.

31.2.1 Basis of allocation:

Service provided / rendered directly to students are allocated on the basis of number of students whereas services to members are allocated on the basis of number of members at each geographical segment.

31.2.2 Segment revenues and results

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
2017					
Income					
from members	61,677	28,681	14,199	40,065	144,622
from students	182,094	230,839	116,317	105,792	635,042
others general services - unallocated	-	-	-	-	44,026
					823,690
Allocated expenditure - Members & Students	(171,826)	(168,811)	(84,811)	(104,018)	(529,466)
Unallocated expenditure - General Services					(212,035)
Total expenditure (31.2.3)					(741,501)
Income from investments and surplus on remeasurement of investment - unallocated					71,870
Excess of income over expenditure					154,059



notes to the financial statements

for the year ended june 30, 2017

2016	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Income					
from members	55,489	25,804	12,774	36,046	130,113
from students	180,024	217,364	109,914	102,086	609,388
others general services - unallocated	-	-	-	-	32,838
					<u>772,339</u>
Allocated expenditure - Members and Students	(150,991)	(144,542)	(72,839)	(89,820)	(458,192)
Unallocated expenditure - General Services					<u>(193,886)</u>
Total expenditure (31.2.4)					<u>(652,078)</u>
Income from investments and surplus on remeasurement of investment - unallocated					<u>69,374</u>
Excess of income over expenditure					<u><u>189,635</u></u>

31.2.3 Expenditure

2017	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Salaries, allowances and other benefits	216,425	39,124	12,297	8,445	276,291
Examination charges	71,510	21,192	10,266	11,864	114,832
Depreciation	22,511	5,320	1,862	2,805	32,498
Traveling and related expenses	16,051	7,972	2,703	1,275	28,001
Study packs and other publications	21,553	12,529	6,010	4,559	44,651
Utilities	13,859	4,674	2,139	3,198	23,870
Postage and telephone	11,684	3,379	1,064	1,631	17,758
Repairs and maintenance	15,877	5,867	3,097	5,315	30,156
Printing and stationery	13,436	1,330	181	250	15,197
Rent, rates and taxes	4,079	2,549	397	9,631	16,656
Advertisement and exhibition	3,959	8,786	1,615	4,661	19,021
Amortisation of intangible assets	5,734	-	-	-	5,734
Financial assistance to students	848	6,011	1,895	1,085	9,839
Financial assistance to members and/or families	11,153	6,233	1,775	2,301	21,462
Gold medals and award ceremony	3,438	4,094	-	-	7,532
Edhi CA talent program	2,321	1,095	482	1,677	5,575
Vehicles maintenance and running cost	5,277	754	183	64	6,278
Legal and professional charges	19,118	146	153	-	19,417
Others	39,460	4,229	2,257	787	46,733
Expenditure - as and where incurred	498,293	135,284	48,376	59,548	741,501
Inter-segment allocation/transfer to unallocated	(326,467)	33,527	36,435	44,470	(212,035)
Allocated expenditure - Members and Students	171,826	168,811	84,811	104,018	529,466
Unallocated expenditure - General Services					<u>212,035</u>
Total expenditure					<u><u>741,501</u></u>



notes to the financial statements for the year ended june 30, 2017

31.2.4 Expenditure

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
2016					
Salaries, allowances and other benefits	214,818	30,691	8,392	6,593	260,494
Examination charges	54,855	20,915	10,489	12,334	98,593
Depreciation	21,829	5,600	1,838	2,675	31,942
Traveling and related expenses	14,185	7,973	1,953	1,180	25,291
Study packs and other publications	16,988	9,791	4,631	3,552	34,962
Utilities	12,776	4,996	2,286	2,952	23,010
Postage and telephone	11,467	2,847	1,275	1,540	17,129
Repairs and maintenance	10,642	7,776	4,751	8,894	32,063
Printing and stationery	12,089	1,242	237	165	13,733
Rent, rates and taxes	3,845	2,416	432	7,970	14,663
Advertisement and exhibition	5,147	8,334	1,840	2,997	18,318
Amortisation of intangible assets	7,677	-	-	-	7,677
Financial assistance to students	4,687	2,418	937	765	8,807
Financial assistance to members and/or families	8,035	5,704	1,667	634	16,040
Gold medals and award ceremony	5,249	-	-	-	5,249
Edhi CA talent program	1,168	831	519	1,661	4,179
Vehicles maintenance and running cost	5,151	1,003	155	28	6,337
Legal and professional charges	5,731	25	180	500	6,436
Others	22,520	2,390	1,670	575	27,155
Expenditure - as and where incurred	438,859	114,952	43,252	55,015	652,078
Inter-segment allocation/transfer to unallocated	(287,868)	29,590	29,587	34,805	(193,886)
Allocated expenditure - Members and Students	150,991	144,542	72,839	89,820	458,192
Unallocated expenditure - General Services					193,886
Total expenditure					652,078

31.2.5 Other information

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
2017					
Segment assets employed	188,819	205,413	19,324	19,887	433,443
Unallocated assets					784,393
Total assets					1,217,836
Segment liabilities employed	69,861	9,878	1,190	790	81,719
Unallocated liabilities					38,087
Total liabilities					119,806
2016					
Segment assets employed	214,655	54,269	21,835	24,017	314,776
Unallocated assets					789,761
Total assets					1,104,537



notes to the financial statements

for the year ended june 30, 2017

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Segment liabilities employed	56,473	10,776	8,438	647	76,334
Unallocated liabilities					84,432
Total liabilities					160,766

31.2.6 Segment assets primarily consist of property, plant and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.

31.3.1 Income

2017	South	North	Total
	Rs. '000		
from members	83,411	61,211	144,622
from students	194,061	440,981	635,042
others general services - unallocated			44,026
			823,690
Allocated expenditure - Members and Students	(200,622)	(328,844)	(529,466)
Unallocated expenditure - General Services			(212,035)
Total expenditure (31.3.3)			(741,501)
Income from investments and surplus on remeasurement of investment - unallocated			71,870
Excess of income over expenditure			154,059

31.3.2 Income

2016	South	North	Total
	Rs. '000		
from members	75,043	55,070	130,113
from students	195,488	413,900	609,388
others general services - unallocated			32,838
			772,339
Allocated expenditure - Members and Students	(177,516)	(280,676)	(458,192)
Unallocated expenditure - General Services			(193,886)
Total expenditure (31.3.4)			(652,078)
Income from investments and surplus on remeasurement of investment - unallocated			69,374
Excess of income over expenditure			189,635



notes to the financial statements

for the year ended june 30, 2017

31.3.3 Expenditure

2017

	South	North	Total
	Rs. '000		
Salaries, allowances and other benefits	218,331	57,960	276,291
Examination charges	73,120	41,712	114,832
Depreciation	22,682	9,816	32,498
Traveling and related expenses	17,208	10,793	28,001
Study packs and other publications	21,915	22,736	44,651
Utilities	14,085	9,785	23,870
Postage and telephone	11,823	5,935	17,758
Repairs and maintenance	16,461	13,695	30,156
Printing and stationery	13,471	1,726	15,197
Rent, rates and taxes	5,403	11,253	16,656
Advertisement and exhibition	5,392	13,629	19,021
Amortisation of intangible assets	5,734	-	5,734
Financial assistance to students	856	8,983	9,839
Financial assistance to members and/or families	11,153	10,309	21,462
Gold medals and award ceremony	3,438	4,094	7,532
Edhi CA talent program	2,826	2,749	5,575
Vehicles maintenance and running cost	5,281	997	6,278
Legal and professional charges	19,118	299	19,417
Others	39,619	7,114	46,733
Expenditure - as and where incurred	507,916	233,585	741,501
Inter-segment allocation/transfer to unallocated	(307,294)	95,259	(212,035)
Allocated expenditure - Members and Students	200,622	328,844	529,466
Unallocated expenditure - General Services			212,035
Total expenditure			741,501

31.3.4 Expenditure

2016

	South	North	Total
	Rs. '000		
Salaries, allowances and other benefits	216,024	44,470	260,494
Examination charges	56,725	41,868	98,593
Depreciation	21,940	10,002	31,942
Traveling and related expenses	15,154	10,137	25,291
Study packs and other publications	17,077	17,885	34,962
Utilities	12,989	10,021	23,010
Postage and telephone	11,545	5,584	17,129
Repairs and maintenance	10,977	21,086	32,063
Printing and stationery	12,124	1,609	13,733
Rent, rates and taxes	4,362	10,301	14,663
Advertisement and exhibition	5,643	12,675	18,318



notes to the financial statements

for the year ended june 30, 2017

	South	North	Total
	Rs. '000		
Amortization of intangible assets	7,677	-	7,677
Financial assistance to students	4,687	4,120	8,807
Financial assistance to members and/or families	8,035	8,005	16,040
Gold medals and award ceremony	5,249	-	5,249
Edhi CA talent program	1,627	2,552	4,179
Vehicles maintenance and running cost	5,151	1,186	6,337
Legal and professional charges	5,731	705	6,436
Other expenditures	22,594	4,561	27,155
Expenditure - as and where incurred	445,311	206,767	652,078
Inter-segment allocation/transfer to unallocated	(267,795)	73,909	(193,886)
Allocated expenditure - Members and Students	177,516	280,676	458,192
Unallocated expenditure - General Services			193,886
Total expenditure			652,078

31.3.5 Other information

	South	North	Total
	Rs. '000		
2017			
Segment assets employed	190,031	243,412	433,443
Unallocated assets			784,393
Total assets			1,217,836
Segment liabilities employed	69,885	11,834	81,719
Unallocated liabilities			38,087
Total liabilities			119,806
2016			
Segment assets employed	215,451	99,325	314,776
Unallocated assets			789,761
Total assets			1,104,537
Segment liabilities employed	56,473	19,861	76,334
Unallocated liabilities			84,432
Total liabilities			160,766

31.3.6 Segment assets primarily consist of property, plant and equipment, loans, advances and receivables. Segment liabilities comprise of advance fee and charges and creditors, accrued and other liabilities.



notes to the financial statements for the year ended june 30, 2017

32. FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

The Institute has exposure to the following risks from its use of financial instruments:

credit risk;
liquidity risk; and
market risk (including foreign exchange risk and interest rate risk).

The Institute's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Institute's financial performance.

Risk management is carried out by the Institute's finance department under policies approved by the Council. The Institute's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity, credit risk and interest rate risk provided by the Council.

(a) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Credit risk mainly arises from long term and short term investments, loans, advances, deposits, other receivables and bank balances. Out of the total financial assets aggregating Rs. 947.451 million (2016: Rs. 822.33 million) as detailed in note 32.2 below, those that are subject to credit risk aggregate to Rs. 515.92 million (2016: Rs. 323.22 million)

The credit risk on liquid funds maintained with banks / financial institutions and investments was approximately 37% (2016: 37%) of the financial assets of the Institute. The funds of the Institute are held with banks having highest capacity for timely repayment (i.e. having credit rating of at least 'A+'). Accordingly, management does not expect any counter party to fail in meeting their obligations

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Institute's total credit exposure. The financial assets of the Institute are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. The Institute believes that it is not exposed to major concentration of credit risk

The carrying amounts of financial assets that represent Institute's maximum credit exposure as at the reporting date are as follows:



notes to the financial statements

for the year ended june 30, 2017

	Note	2017 ----- Rupees '000 -----	2016
Long term investments	32.1.1	195,962	153,307
Loans and deposits		154,902	7,641
Short term investments	32.1.1	94,346	77,762
Loans, advances and other receivables		12,392	14,903
Accrued Income on investments		1,001	979
Bank balances		57,389	68,625
		<u>515,992</u>	<u>323,217</u>

32.1.1 This excludes investment in government securities.

(b) Liquidity risk

Liquidity risk reflects the entity's inability in raising funds to meet commitments, The Institute manages liquidity risk by maintaining sufficient cash and balances with banks. As at June 30, 2017 there is no maturity mismatch between financial assets and liabilities that exposes the Institute to liquidity risk.

(c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Institute's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Institute is exposed to foreign exchange risk due to foreign currency in hand, bank accounts in U.S. Dollar and payables in foreign currencies. The Institute's exposure to foreign exchange risk at the reporting date is as follows:

	June 2017						
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	Saudi Rayal	EURO	Nepali Rupees
Cash and bank balances	547,677	5,005	135	-	-	20	2,150
Creditors, accrued expenses and other liabilities	(1,649,681)	(14,300)	(1,103)	-	-	-	-
Net Exposure	<u>(1,102,004)</u>	<u>(9,295)</u>	<u>(968)</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>2,150</u>
	June 2016						
	Rupee Equivalent	U.S. Dollars	British Pound	UAE Dirham	Saudi Rayal	EURO	Nepali Rupees
Cash and bank balances	1,306,841	11,511	215	17	2,153	60	2,150
Creditors, accrued expenses and other liabilities	(1,724,256)	(12,100)	(3,222)	-	-	-	-
Net Exposure	<u>(417,415)</u>	<u>(589)</u>	<u>(3,007)</u>	<u>17</u>	<u>2,153</u>	<u>60</u>	<u>2,150</u>



notes to the financial statements

for the year ended june 30, 2017

Reporting date rate
2017 2016

The following significant exchange rates have been applied:

U.S. Dollar to Rupee	104.85	104.83
British Pound to Rupee	136.24	141.43
UAE Dirham to Rupee	28.55	28.54
Saudi Riyal to Rupee	27.96	27.95
Euro to Rupee	119.63	116.80
Nepali Rupee to Rupee	0.99	0.95

The currency risk associated with these balances is considered minimal and, therefore, the Institute does not hedge its foreign currency exposure.

Sensitivity analysis

As at June 30, 2017, if Rupee had strengthened / weakened by 10% against Dollar, British Pound, UAE Dirham, Saudi Riyal and Euro with all other variables held constant, income for the year would have decreased / (increased) by the amounts shown below mainly as a result of net foreign exchange (loss) / gain on translation of financial assets and liabilities.

2017 2016
----- Rupees '000 -----

Effect on income for the year:

U.S. Dollar to Rupee	(97)	(6)
British Pound to Rupee	(13)	(43)
Saudi Riyal to Rupee	-	6
Euro to Rupee	-	1

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value or future cash flow of financial instruments.

At the reporting date, the interest rate profile of the Institute's significant financial assets is as follows:

Fixed rate instruments

Government Securities	146,918	479,859
Term deposit receipts	-	2,720
Certificates of deposit / investment	17,133	72,080



notes to the financial statements

for the year ended june 30, 2017

	2017	2016
	----- Rupees '000 -----	
Variable rate instruments		
Certificates of Islamic investments	178,829	150,118
Balances maintained with banks	50,305	62,805

The rates of interest have been disclosed in the respective notes to the financial statements.

Sensitivity analysis for fixed rate instruments

The Institute does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect materially income for the year.

Sensitivity analysis for variable rate instruments

As at June 30, 2017, if the interest rate on the Institute investments had been higher/lower by 100 basis point all other variables held constant, finance income for the year would have been higher/(lower) by Rs. 2.38 million (2016: Rs. 2.13 million) mainly as a result of higher/(lower) interest income.

32.2 Financial instruments by category	Held to maturity	Available for sale	Loans and receivables	Total
	----- Rs. '000 -----			
2017				
Financial Assets as per balance sheet				
Long term investments	342,164	-	-	342,164
Loans and deposits	-	-	154,902	154,902
Short term investments	359,529	5,670	-	365,199
Loans, advances and other receivables	-	-	12,392	12,392
Accrued income on investments	15,495	-	-	15,495
Cash and bank balances	-	-	57,389	57,389
	<u>717,188</u>	<u>5,670</u>	<u>224,683</u>	<u>947,541</u>
2016				
Financial Assets as per balance sheet				
Long term investments	535,591	-	-	535,591
Loans and deposits	-	-	7,641	7,641
Short term investments	169,185	6,153	-	175,338
Loans, advances and other receivables	-	-	14,903	14,903
Accrued income on investments	19,572	-	-	19,572
Cash and bank balances	-	-	69,285	69,285
	<u>724,348</u>	<u>6,153</u>	<u>91,829</u>	<u>822,330</u>



notes to the financial statements

for the year ended june 30, 2017

Financial liabilities as per balance sheet

Liabilities carried at amortized cost	
2017	2016
----- Rs. '000 -----	
81,719	76,334

Creditors, accrued expenses and other liabilities

32.3 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Institute is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently, the Institute's investment in equity shares amounting to Rs. 5.67 million (2016: Rs. 6.15 million) are the only financial assets measured at fair value in the financial statements and these financial instruments are classified under level 1.

There were no transfers amongst the levels during the current and preceding year. The Institute's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values, except investments in:

- Special Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 70.71 million (2016: Rs. 65.63 million) as against their aggregate fair value of Rs. 70.06 million (2016: Rs. 64.29 million);
- Defence Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. 4.59 million (2016: Rs. 4.09 million) as against their aggregate fair value of Rs. 4.16 million (2016: Rs. 3.54 million); and
- Pakistan Investment Bonds that are carried at amortised cost, using the effective yield method, aggregating Rs. 347.92 million (2016: Rs. 400.24) as against their aggregate fair value of Rs. 350.88 million (2016: Rs. 427.14 million).



notes to the financial statements

for the year ended june 30, 2017

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year.

33. NUMBER OF EMPLOYEES

The Institute had 206 (2016: 202) full time employees and 7 (2016: 7) part time employees as at June 30, 2017.

34. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and /or re-classified, for the purpose of better presentation, the effect of which is not material.

35. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorized these financial statements for issue on August 11, 2017.

Secretary

President



The Institute of
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of Pakistan

CA
PAKISTAN

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