

# THRIVING IN THE **NEW NORMAL**



Annual Report **2020**

The Institute of  
Chartered Accountants  
of Pakistan



**The Institute of  
Chartered Accountants  
of Pakistan**

**CA  
PAKISTAN**

# THRIVING IN THE **NEW NORMAL**

Preparing better for tomorrow  
by doing our best today





## Responsibility for the Report

As the Council of the Institute, we acknowledge the responsibility for ensuring integrity of our Annual Report that also contains Integrated Report of the Institute as a significant part thereof. The Council and management reasonably believe that the Annual Report, in context with our vision, mission, external and internal operating environment, strategy and our business model, communicate matters that have, or could have, material effect on our ability to create value. The Council and management have applied collective wisdom to prepare and present information in the Annual Report.

## Reporting approach

The annual report contains (a) Governance Statement, (b) Elements of Integrated Reporting, (c) Financial Statements and (d) Other Information. The Integrated Report of the Institute is prepared in accordance with the International Integrated Reporting Framework (IR Framework) issued by International Integrated Reporting Council.

The Guiding Principles of the IR Framework have been applied individually and collectively for preparing and presenting the Integrated Report. Accordingly, judgement has been used in application of principles, particularly when there is an apparent conflict between them. For example, we aimed to keep balance between conciseness and other Guiding Principles of the Framework, in particular, completeness and comparability. In achieving conciseness, internal cross-references have been used to meet diverse interests of our stakeholders. Generic disclosures that are not specific to the Institute and the profession have been avoided.

# Contents

<b>Notice of the Annual General Meeting</b>	04	<b>Reports of Boards &amp; Committees</b>	53
<b>Governance Statement</b>	05	Accounting Standards Board	54
<b>Integrated Report 2020</b>	09	Quality Assurance Board	57
Who We Are	10	Digital Assurance and Accounting Board	58
Our Direction – ICAP in New Normal	15	Audit Committee	59
From Our President	17	Northern Regional Committee	61
Year 2020	22	Southern Regional Committee	63
New Outlook 2020-21	24	Benevolent Fund Management Committee	64
Our Value Creation Model	25	<b>Financials 2020</b>	67
Our Governance	27	Financial Analysis	68
Our Governance & Value Creation	30	Financial Statements	81
Our External Environment	33	<b>Other Information</b>	125
Our Stakeholders' Value	36	ICAP Events	126
Matters that Affect Value Creation	37	Gold Medals & Merit Certificates	142
Our Performance	40	Council & Standing Committees' Attendance	145
Acknowledgement	52	Boards' & Committees' Attendance	146



# Notice of Annual General Meeting

The 59<sup>th</sup> Annual General Meeting of the Institute of Chartered Accountants of Pakistan will be held on November 02, 2020 at 6:30 p.m. at ICAP House, Karachi.

## Agenda

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

### Ordinary Business

1. Confirmation of the minutes of the 58th 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, 2020.
3. Appointment of auditors for the year ending June 30, 2021 and fixation of their remuneration. The present auditors, Syed Aftab Hameed and Mohammed Shabbir Kasbati, being eligible, have offered themselves for re-appointment.
4. Any other business with the permission of the Chair.

**Syed Masood Akhtar, FCA**

Secretary

Karachi, October 18, 2020



# GOVERNANCE STATEMENT

# Governance Statement

## Approach to Governance

ICAP, a self-governing, autonomous body, was formed under the Chartered Accountants Ordinance (CAO) 1961 for the purpose of regulating the accountancy profession. It operates under the provisions of the CAO and the CA Bye-laws, 1983 (Bye-laws). The provisions relating to the governance of the Institute are primarily contained in the said Ordinance and Bye-laws.

## Commitment to Good Governance

The Institute is committed to encouraging good corporate governance and has played a key role in formulating good corporate governance environment in Pakistan through working with the corporate regulators and with its own members. The Institute, being a regulatory body, is not required to mandatorily comply with the provisions of Code of Corporate Governance (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 PSC Code'). The Institute recognizes that some parts of the PSC Code may not relate precisely to the governance of a professional body. Accordingly, it complies with such provisions of the PSC Code that relate to its operating activities.

## Council

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

The Council provides strategic direction to the Institute, formulates policies on education, training and examination of students, membership of the Institute and other governance and regulatory matters. It reviews and approves operational plans and budgets. 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 carry out Institute's functions effectively and efficiently. It has also established appropriate arrangements to ensure that it has access to all relevant information, advice and necessary resources to carry out its role effectively. In order to formalize 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 recognizes 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. 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 the defined policy.

## Code of Conduct for Council and Committee Members

The Council of the Institute has approved 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 <https://www.icap.org.pk/files/per/icap/committees-tor/Code-of-Conduct.pdf>

The Code of Conduct contains an elaborated conflict of interest policy that 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 by signing Annual Declaration. The policy also extends to the members of Standing and all other committees.

## Orientation of 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.



## Council Meetings

The Council meets at least once in every quarter and written notices of the meetings are circulated to the Council members not less than fourteen days before the meeting. The draft minutes of the meetings are recorded and normally circulated within fourteen working days after the Council meeting. All meetings of the Council are chaired by the President and in his/her absence by one of the vice presidents.

## 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. The existence of these committees does not absolve the Council from its responsibilities in all matters relating to the Institute. These committees comprise members of the Council, other members of the Institute, outside the Council, from practice and from industry, non-member specialists and senior management personnel. Terms of Reference (ToR) of each committee are approved by the Council and committees are required to operate within their respective ToRs. The Council has established the following committees:

### Standing Committees

#### 1. Executive Committee

This Committee comprises of the President, Vice Presidents and not less than three Council members. The Committee is chaired by the President and is responsible for overall supervision of the administrative and financial management of the Institute. Its responsibilities also include identification of the key risks relating to the Institute in meeting its objectives and undertaking measures necessary to mitigate those risks. It is also responsible for human resource matters, membership matters and the development of annual and long-term plans and review of the annual and quarterly performance and financial statements of the Institute.

#### 2. Examination Committee

The Committee deals with all policies related to the conduct of examinations and declaration of result. These include paper setting and marking, fixing the dates of submission of examination fee and examination forms, dates and mode of declaration of result, and appointment of subject specialists,

examiners and invigilators. The Committee also takes 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 advises the Council and the Education & Training Committee on policy matters related to examination curriculum and study material.

#### 3. Investigation Committee

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

### Boards

The Council has constituted five Boards which are as follows:

#### 1. Accounting Standards Board

Accounting Standards Board (ASB) was established with a view to further strengthen the quality of financial accounting and reporting in Pakistan. It has representation of the Securities & Exchange Commission of Pakistan (SECP), State Bank of Pakistan (SBP), Pakistan Stock Exchange (PSX), Auditor General of Pakistan (AGP), Higher Education Commission (HEC), Council, industry and practice.

#### 2. Anti-Money Laundering Supervisory Board

Pakistan is obligated to comply with Financial Action Task Force (FATF) Recommendations. In this regard, Pakistan has enacted the Anti-Money Laundering Act, 2010 (AML Act, 2010) and Anti-Terrorism Act, 1997. Under the AML Act, the accountants fall under the scope of Designated Non-Financial Businesses and Professions (DNFBPs), thereby, requiring Anti-Money Laundering (AML) / Countering Financing of Terrorism (CFT) regulatory and supervisory measures under the AML Act, 2010.

Under the AML Act, 2010, the Institute has been designated as an AML / CFT Regulatory Authority. The Institute has issued "Anti-Money Laundering and Combating Financing of Terrorism Regulations for

Chartered Accountants Reporting Firms” (ICAP AML / CFT Regulations) under the authority given by the AML Act, 2010.

In this regard, the Institute has also established an AML Supervisory Board to supervise, regulate, implement and enforce the ICAP AML / CFT Regulations. The Board comprises of five members of whom three are nominated by the Council and one each by SECP and Financial Monitoring Unit (FMU).

### 3. Digital Assurance and Accounting Board

The Digital Assurance and Accounting Board (DAAB) is established to monitor the digital technologies and the trends impacting the profession and practice of Accounting. The Board has 24 members representing the Council, Registered Accounting Education Tutors (RAETs), firms, other committees, SECP, SBP, The Institute of Cost and Management Accountants of Pakistan (ICMAP) and IT experts.

### 4. Quality Assurance Board

The Quality Assurance Board (QAB) has been formed to independently undertake the implementation of the framework of the Quality Control Review (QCR) program. The Board comprises of nine members. ICAP and SECP have three nominees each, whereas SBP and PSX have two and one nominee respectively.

### 5. Appellate Board under QCR Framework

The Appellate Board refers to a forum formed under the QCR Framework to undertake appeal process against the decision of QAB in case it decides to remove/not include the name of the Firm from/in the List of Firms having Satisfactory QCR Rating.

The Appellate Board comprises of members nominated by the Council, SECP and SBP. The nominees include at least one person who has exercised the powers of, or is or has been, a judge of High Court or who is or has been an advocate of a High Court and is qualified to be the Judge of a High Court.

## Advisory Committees

These committees provide advice and recommendations to the Council and Executive Committee, and undertake specific tasks as delegated by the Council from time to time. These include Audit Committee, Members Affairs Committee, Education and Training Committee, Internal

Audit Practices Development Committee, Continuing Professional Development Committee, and Technical Committees including committees relating to ethics, auditing, financial reporting, fiscal laws, corporate laws, economics and government relationship.

## Regional Committees

The members of the Institute, in addition to electing fifteen members of the Council, also elect six members 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.

## Other Committees

These committees carry out various tasks which mainly include programs for the benefit of members and other stakeholders. These include PAIB Committee, Practicing Members Committee, SMP Committee, Overseas Coordination Committee, CA Women's Committee and Building Committee.

## The Office Bearers

The President and the two Vice Presidents are the office bearers of the Institute and are 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. One Vice President is elected from each region. Generally, the President and the Vice Presidents serve one-year term.

Office bearers exercise powers and perform duties as provided in CAO and Bye-laws and as delegated by the Council or entrusted by the Standing Committees from time to time. The office bearers oversee the management and ensure that the views of the Council and the wider membership within the Institute are taken into account in implementing the Institute's strategy, policies and procedures.

## 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.



# **INTEGRATED REPORT 2020**

# Who We Are

## Our Institute

The Institute established under CAO, 1961, as national regulator of accountancy profession in Pakistan, aims to add value to businesses, economy and clients and the employers of its members. Following the principles of integrity, transparency and accountability, the profession safeguards public interest and ensures and supports ethical practices and good corporate governance. (Page No. 06, Governance Statement).

Our members have presence in almost all sectors both locally and internationally, working in over 40 countries of all major economies around the world. Their professional development through education, practical training and examinations' rigour, prepares them to help businesses make informed strategic decisions, manage key risks, adapt technological changes and innovate with an ultimate goal to create value for all stakeholders including shareholders, customers, suppliers, creditors and society at large.

The Institute has always been mindful of the fact that by creating an independent statutory body, society has reposed a trust in the accountancy profession. To come up to the expectations of the society, the Institute works in multiple dimensions; instilling professional excellence, building ethical culture, ensuring accountability of members, engaging stakeholders, working with the regulators, advocating the profession, etc. This year some notable developments are as follows:

### Professional Excellence

- Approval of Education Scheme 2021, which now incorporates emerging skills, particularly, in the area of technology and business use of data
- Collaboration with leading universities
- Inauguration of Rawalpindi city library
- Digital financial reporting taxonomy to iXBRL system

### Operational efficiency

- Extension of e-marking regime
- Introduction of home based assessment through online testing and proctoring
- Paperless registration, exemption and admission processes in examinations
- Award of contract for comprehensive ERP solution
- Launching of Institute's Mobile Application

### Ethics and public interest

- Launching of an online assessment of Professional Values Ethics and Attitude
- Launching of ICAP-IBA joint Research Unit
- Foundation of i-Thrive, the first of its kind Incubation Centre
- Issuance of AML / CFT Regulations

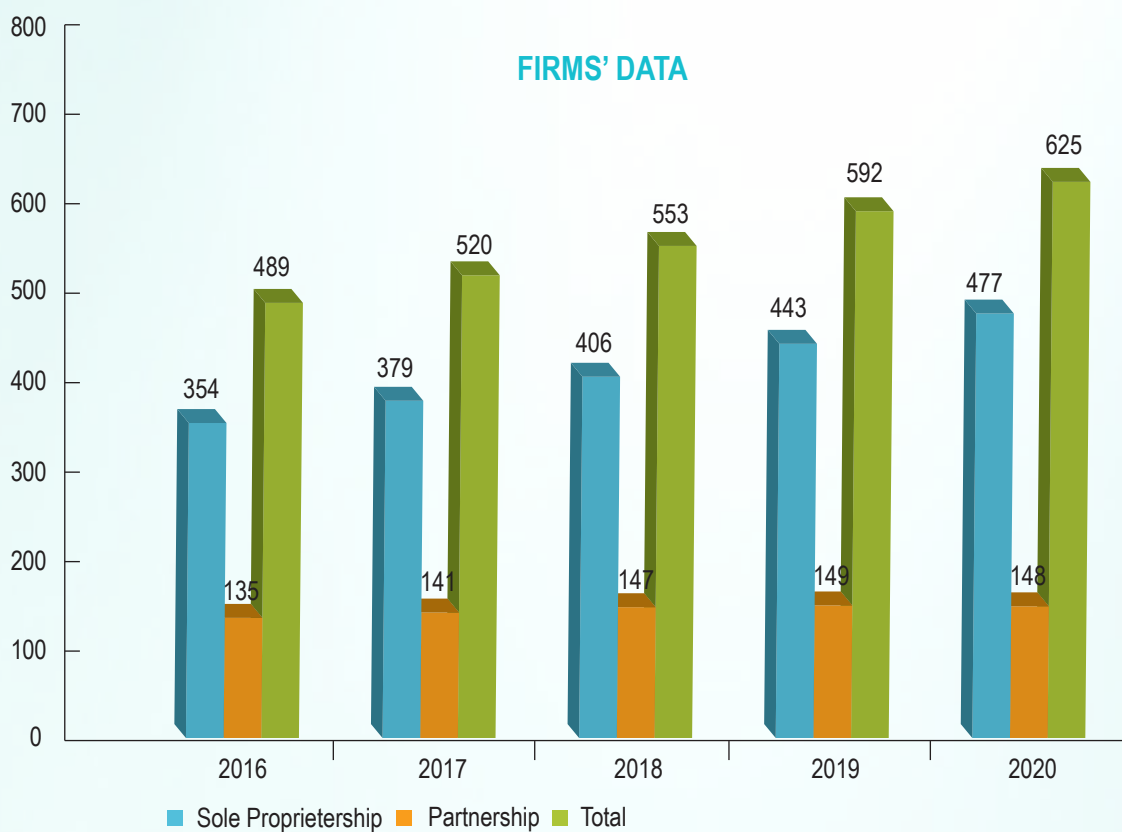
## Our Community

Our membership is growing at a gradual pace. Membership of the Institute as on June 30, 2020 was 8,836 (8,439 on June 30, 2019) out of which 2,300 (1,801 in June 30, 2019) members were overseas which account for 26 percent of the total membership. The net increase in membership is 4.7 percent as compared to last year. Out of the total membership, 76 percent are employed in commerce and industry, financial institutions, government departments and education, whereas 24 percent are in public practice or employed in public practice.

## REGION-WISE MEMBERS' DATA



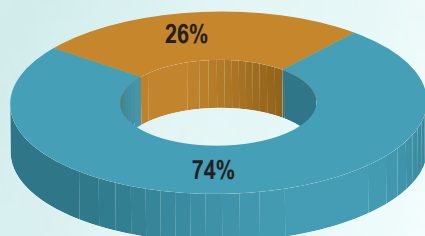
## FIRMS' DATA





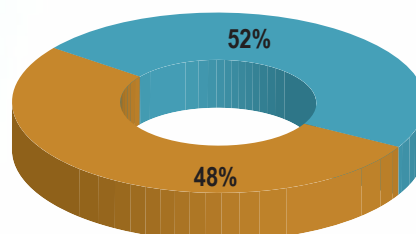
## MEMBERS' DATA

OVERALL



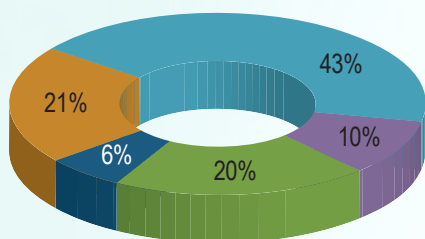
Local 6,536 Overseas 2,300

LOCAL - REGION WISE



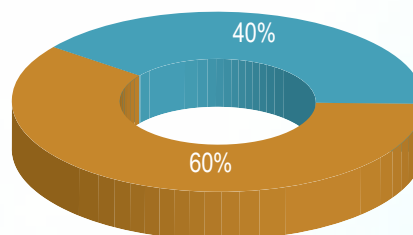
North 3,165 South 3,371

OVERSEAS MEMBERS



Middle East & Gulf Countries 1,002 Europe 221  
Australia 130 US/Canada 453 Others 494

ACA/FCA DISTRIBUTION



ACA 5,265 FCA 3,571

## Job Sector Information of Members

As on 30-Jun-2020			
	Associates	Fellows	Total
<b>Pakistan</b>			
Automotive	49	18	67
Cement / Ceramics / Glass	41	24	65
Chemicals / Paints	25	22	47
Commerce and Industry	234	130	364
Construction and Real Estate	61	29	90
Consumer Goods	65	19	84
Education	66	66	132
Electronics and Electrical Goods	18	10	28
Engineering	37	36	73
Fertilizer / Agriculture	46	35	81
Financial / Management Consulting	33	19	52
Financial Institutions / Banks	335	206	541
Food / Beverages / Tourism	100	39	139
Government	45	31	76
Healthcare and Pharmaceutical	130	68	198
Information & Communication Technology	114	51	165
Miscellaneous	1,055	438	1,493
NGOs / Social Services	30	16	46
Oil and Gas	103	98	201
Power Generation and Distribution	92	59	151
Print and Digital Media / Event Management	17	18	35
Public Practice	267	691	958
Employed in Practice	730	71	801
Retired Members	12	291	303
Shipping and Marine	17	10	27
Sugar and Allied	19	16	35
Textile / Fashion and Apparels	157	76	233
Transport / Logistics / Courier Services	32	19	51
<b>Sub Total</b>	<b>3,930</b>	<b>2,606</b>	<b>6,536</b>
<b>Outside Pakistan</b>			
Business and Industry	983	844	1,827
Public Practice	2	18	20
Employed in Practice	348	28	376
Retired Members	2	75	77
<b>Sub Total</b>	<b>1,335</b>	<b>965</b>	<b>2,300</b>
<b>Total</b>	<b>5,265</b>	<b>3,571</b>	<b>8,836</b>

## We remember

The Institute shares the loss and deeply empathizes with the pain of the families of our members who passed away during the year:

Name	R-No.
Abdul Mateen	0979
Abdul Muqtadir Siddiqui	0172
Amanullah Khanani	0733
Amir Hussain	2306
Inaam Ellahi Sheikh	0861
Masud-Ul-Aziz	0546
Mirza Hyder Hussain Baig	0228
Mohamed Aslam R. Dossa	0498
Mohammad Tahir Khan Rehmani	1052
Mohib-Ud-Din	1143
Ramazan Ali G. Dossa	1214
Rana Muhammad Ather	2159
Sheikh Mohammad Yousuf	0389
Syed Ahmad	0104
Syed Ikram Haider	1583
Syed Mohammad Noorul Huda	0074
Syed Tanveer Mohsin	4914
Syed Yousuf Hashmi	0882
Younus Mohammed	1165

# Our Direction – ICAP in New Normal

## VISION

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

## MISSION

To achieve excellence in professional competence, add value to businesses and economy, safeguard public interest; ensure ethical practices and good corporate governance while recognizing the needs of globalization.

## OUR CORE VALUES

Our core values support the vision of our Institute, shape the culture and reflect our values, the essence of our Institute's identity – it's principles and beliefs.

### i. Integrity and Independence

Integrity, independence and adherence to ethical standards are the hallmark of the Institute's culture. These values are promoted at all levels, be it the employees, the members, students, the Council and any other stakeholder.

### ii. Professional Excellence

At the Institute, we truly believe in the adage 'Excellence is doing ordinary things extraordinarily well'. We aspire for professional excellence in all spheres of the Institutes activities, be it education & training, examinations, members' development, standards' setting & adoption, quality control mechanism or the process of investigation.

### iii. Transparency

The Institute is open about all its activities, practices and policies as transparency is the key to good governance and is essential for building trust among the stakeholders and in enhancing the organization's effectiveness.

### iv. Innovation

ICAP recognizes that sustained development can only be ensured if we adapt with change including technological developments. ICAP always takes initiatives to respond to changing dynamics of the profession, keeping it relevant for sustainable growth.

### v. Equity & Fairness

There is unanimity of view at the Institute that merit and merit alone would remain the criteria for decision making at all levels and spheres. In ICAP, every stakeholder's views are heard and respected and there is zero tolerance for disrespect, harassment and injustice.

### vi. Team Culture

At the Institute, we believe in working together to create synergy and succeed. Close collaboration between all the stakeholders is an important part of ICAP's culture.

### vii. Accountability

The Institute considers itself accountable and ensures ethical responsibility in its dealings with all its stakeholders. Furthermore, the Institute safeguards public interest.

## Strategic Focus 2017-21

The Institute has devised its medium term strategy, identifying key performance areas that create value for stakeholders. The strategic focus is articulated as:

“A premier accountancy body recognised internationally, regulating the accountancy profession in Pakistan, producing quality professionals with world class competencies and creating value for its members, profession, business and society.”

The pandemic has forced organizations to re-align their strategies and resource allocation to combat the changes. The Institute was not the exception to this phenomenon. It accordingly responded by immediate revisit of its strategic plan 2017-21 and made some rescheduling of the timelines keeping in mind the trends. Team work made it possible to successfully execute the demanding tasks and thrive in the era of changed realities and new normal.

## The Strategic Plan 2017-21

Strategic goals and priorities focus on the following performance areas which stem out from our mission:

- Qualification and Professional Development
- Member Support and Regulation
- Governance and Management
- Promotion and Advocacy

For each performance area, key stakeholders are identified and considered for service delivery. Key priorities within each performance area include:

### Qualification and Professional Development

- Keep the CA qualification scheme aligned with the changing requirements of the profession and businesses.
- Improve and modernize approach and processes for setting, conducting and marking of examination papers.
- Augment continuing professional development mechanism through introduction of quality training products with enhanced institutional resources.
- Provide thought leadership through establishment of research unit.
- Achieve greater international and local recognition to create opportunities and avenues for the Institute and its members, affiliates and students.

### Member Support and Regulation

- Take steps to persuade and encourage practicing members for review of practice voluntary and introduce practice review program for quality review of firms and audit engagements in compliance with the requirements of International Federation of Accountants (IFAC).
- Make Quality Control Review (QCR) program more transparent, effective and efficient; ensuring and

demonstrating higher quality of audits performed by practicing members to enhance public trust.

- Play active role in creating opportunities and capacity building for members in practice by assisting them in acquiring technology to modernize their core business processes.
- Support expeditious completion of the Investigation proceedings by Investigation Committee.
- Continue effective compliance with IFAC Statement of Membership Obligations (SMO) by adopting and implementing International Standards on Auditing (ISAs), accounting (IFRSs), education (IESs), ethics (IESBA Code of Ethics for Professional Accountants) and fulfilling the requirements of quality assurance, investigation and discipline.

## Governance and Management

- Review and improve where needed, the Institute's governance and management structure with a focus on service orientation, future challenges and efficacy and efficiency of the operations.
- Make technology a frontline function in bringing operational excellence, raising the quality of relationship management while ensuring adequate measures for cyber security.
- Become one of the preferred employers in the market to attract, recruit and retain high quality resources.
- Develop sustainable business model capitalizing opportunities of developing existing infrastructure and resources to support achievement of key objectives of the Institute.

## Promotion and Advocacy

- Position the Institute as true accounting regulator and give special attention to enhancing the CA Pakistan brand.
- Apply effective marketing strategy and approach to expand student base while giving special attention to the quality and diversity of intake.
- Improve engagement with key stakeholders in order to build, enhance and capitalize the confidence on the Institute as a premier body in a leadership role.
- Continue to retain and leverage from representation at international forums, such as, International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), South Asian Federation of Accountants (SAFA), Confederation of Asian and Pacific Accountants (CAPA), CA Worldwide (CAW), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Asian-Oceanian Standard-Setters Group (AOSSG).





## From Our President

The year 2020 has been a year of unprecedented challenges and some unique opportunities. Alhamdulillah, we continued our Journey of strengthening different functions of the Institute, preparing for the future challenges and setting new benchmarks. COVID-19 while disrupting normal way of working gave ICAP the impetus to embrace technology, to bring flexibility in the mode of operations and to create a culture more focused on health and safety of all stakeholders to thrive in the new normal. I am pleased to share the significant milestones achieved this year.

### **COVID-19 - Thriving in the New Normal**

COVID-19 crisis impacted all of us. ICAP proactively responded by adapting to new normal with work from home and hotline service, online meetings, online registrations, webinars etc. Necessary steps were taken to ensure health and safety SOPs are followed.

To keep our stakeholders updated and to support them in their professional development, the Institute launched COVID-19 Response Webpage. This served as a hub for key information and updates and included links to various digital resources, publications and professional development material. ICAP also developed specific guidelines on financial reporting and auditing, addressing COVID-19 circumstances.

## International Footprint

### First International Office

ICAP has got the requisite approval to establish its branch office in UAE 'ICAP (DMCC Branch)'. The launch of the Dubai (DMCC) Branch office is to be held soon.

It is a historic achievement for the Institute. It has been made possible through concerted and consistent efforts of my Council colleagues, especially Mr. Ashfaq Tola and Mr. Khalid Rahman, Management Committee of UAE Chapter and our senior member Dr. Hadi Shahid who facilitated the entire process of getting the requisite permission.

### Oman and South East Asia

Duly recognizing the presence of our members in Oman and the South East Asia region, the Institute has formed 'Coordination Committees of ICAP Members' in these regions. The committees will provide a platform to initiate the process of forming chapters in Oman and South East Asia to facilitate our members.

## Future Ready ICAP

### Digital Transformation of ICAP

In line with our vision of E-ICAP, we have signed the contract for implementation of SAP ERP and Student Life Cycle Management (SLCM). Successful implementation of ERP & SLCM will seamlessly integrate all processes, reduce transaction time and improve service delivery to members, students and other stakeholders.

ICAP mobile App has been revamped with new features to make it more comprehensive and user friendly, connecting members and students to ICAP resources at a click. The App will be launched soon.

### CA Ordinance Amendments

Amendments to CA Ordinance duly approved by the Council after stakeholders review are now with the Ministry of Finance for further processing. Recently, in light of the FATF requirements for the accountancy sector, Financial Monitoring Unit (FMU) had suggested changes relating to AML in the CA Ordinance which have been duly incorporated in the draft submitted to the Government earlier. The Ministries of Law and Finance are being pursued for expediting the process and placement of the amendments for parliamentary approval.

## Governance

Institute being the pioneer of promoting good corporate governance in Pakistan, firmly believes that a successful organization has to have a robust governance structure. The Council formed Governance Task Force under the leadership of Mr. Khalid Rahman to review the Institute's Governance structure holistically, benchmarking and aligning it with global best practices. The task force has done most of the work and its recommendations will be soon put up for Council review and approval.

## Infrastructure Improvements

### Karachi

The vision of having an exclusive and agile space for members facilitation and well-being has been realized with the inauguration of the new Members' Area at ICAP House, Karachi. New Members Area offers professional and recreational facilities including business center, meeting room, reference and digital library, huddle room, gym etc.

In line with the objective of providing better facilities to our students, a building for City Library has been purchased at a central location in Karachi. The Library will be inaugurated soon.

### Lahore

The renovation of auditorium and facilitation center in Lahore office was completed earlier this year. The improvements will give our members and students better environment to connect with the Institute.

### Islamabad & Rawalpindi

To better facilitate our students in Islamabad and Rawalpindi area, the Institute has inaugurated new City Library in Rawalpindi last month.

Renovation work has been started in Islamabad office to improve the facilitation center, members lounge, auditorium and reception.

### Peshawar

In order to develop accountancy profession and strengthen a footprint in KPK, your Council has approved in principle the acquisition of suitable land in Peshawar.

### Center for Excellence

Keeping in view the importance of having state of the art purpose built Executive Development Centre, the Council has approved procurement of suitable land in Karachi.

### HR Initiatives & Staff Engagement

We consider our human capital as the most important asset for sustainable growth of the Institute. Accordingly, a comprehensive review of Performance Management Policy was done this year, embedding a performance based culture in ICAP. In addition, many team members were provided with horizontal growth opportunities through rotations to help them evolve and excel.

Effective communication and engagement creates synergy, I with my Vice Presidents Mr. Rana M. Usman Khan and Ms. Hina Usmani held interactive Town Hall meetings with staff. A policy of regular engagement with staff has also been approved by the Council.

### Serving Public Interest

#### Digital Financial Reporting in Pakistan – iXBRL

The Accounting Standards Board has initiated the project of 'Digital Financial Reporting in Pakistan' for public interest, in close coordination with SECP. As a significant contributor to this project the Institute is developing iXBRL taxonomy.

### AML & CFT Supervision

The Institute has been closely working with relevant authorities to strengthen the country's AML regime.

As self regulatory body under AML Act, 2010 Institute has recently issued AML Regulations, established AML Supervisory Board and the AML Supervision Department. To facilitate the practicing members, an AML portal has been developed for communicating relevant information. For effective implementation of the AML regime, a comprehensive awareness program is being undertaken through webinars and videos. Further, learning tools like templates and checklists are being developed.

### Companies Amendment Ordinance 2020 - Section 247 Qualification and Disqualification of Auditors

The promulgation of the Companies Amendment Ordinance, 2020, brought a disconcerting amendment in section 247. As communicated earlier, the said amendment was not in line with global practices, was against public interest and done without due process of consultation with ICAP. Accordingly, we took up this matter actively with SECP and other relevant authorities for resolution of this anomaly.

On our intervention, SECP formed a working group to deliberate the issue and come up with a recommendation which is in line with international practices. Subsequently, the Companies Amendment Ordinance 2020 lapsed in August 2020 and the old sections of the Companies Act, 2017 have been reinstated. However, the Institute is actively working with SECP for appropriate resolution of the matter for times to come.

### Audit Practice Review & Support Program

Our SMPs are a very important segment of the profession. To strengthen them in line with the prevailing best practices, the Institute's Audit Practice Review & Support Program has been rolled out.

## Education, Examination & Professional Development Initiatives

### Introduction of online course on Professional Value Ethics and Attitude

Professional excellence, integrity, transparency and accountability are the essentials of our vision statement. In line with the vision of the Institute, the 'Professional Value Ethics & Attitude' online assessment course on ethics has been launched. The course is mandatory for all students completing their training on or after October 15, 2020 and a pre-requisite for obtaining training completion certificate.

### Education Scheme 2021

Education Scheme 2021 is in line with Council's strategy of keeping CA Qualification relevant, comparable and leading accounting qualification, giving our members an edge in the local and international arena. Under the strategy, all aspects of education, examination, training and related delivery models, study tools, etc. have been reviewed. Major aspects of the Education Scheme 2021 have been approved by the Council. The Education & Training department is actively working on roll out of the scheme under the supervision of the Education & Training Committee.

### Engagement with HEC

On the request of ICAP, HEC had formed a sub-committee to bring flexibility in the framework of Higher Education to facilitate members and students of the institute. Recently, ICAP delegation met Chairman-HEC, Dr. Tariq Banuri and discussed the issues being faced by members and students of ICAP who wish to pursue higher education in local Universities. We re-emphasized the need for granting due recognition/credits to ICAP members and students.

Chairman HEC assured us of his full support and a positive outcome is expected in the near future.

### Online AFC Examinations with Remote Proctoring

To avoid loss of time for our students due to COVID-19, the Institute conducted AFC Examination – Autumn 2020 under online remote proctoring environment. More than 2000 students appeared in the exam. I must compliment our Examination Department for doing a remarkable job of successfully conducting these examinations using online remote proctoring technology in a very short span of time.

### Development of Accounting Profession in Balochistan

In a recent short visit to Balochistan, ICAP delegation met Governor Balochistan Justice (R) Amanullah Khan Yaseen Zai, Education Minister Sardar Yar Muhammad Rind and Secretary Education Mr. Muhammad Hashim Ghilzai, to discuss how best the Government of Balochistan and ICAP can collaborate to develop accountancy profession in the province and help talented students of Balochistan pursue Chartered Accountancy qualification. We also met Secretary Finance Mr. Noor-ul-Haque Baloch, Special Secretary Finance Mr. Lal Jan Jafar, Vice Chancellor University of Balochistan Prof. Dr. Shafiq ur Rehman and Pro Vice Chancellor Balochistan University of Information Technology, Engineering & Management Sciences (BUIEMS) Dr. Faisal Ahmad Khan for exploring opportunity of mutual collaboration for the benefit of students in Balochistan.

Various initiatives are now under consideration to enhance ICAP activities in Balochistan to develop full eco-system of education, examination and student training in the province.

### Professional Development & Engagement through Webinars

Like every other aspect of our life, COVID-19 also reshaped the way we conduct our professional development activities. Embracing the new normal, the Institute moved to webinars quickly and effectively and organized series of webinars on pertinent topics related to Pakistan Economy, Business Transformation, Leadership, Start-up Eco-system and various industry specific webinars including Financial Sector, Pharmaceutical & Healthcare Industry, Oil & Gas Sector etc. Dr. Hafeez Shaikh Advisor to PM on Finance, Dr. Reza Baqir SBP Governor and other eminent speakers were invited to share their views. The annual signature event, the Post Budget conference was also held online and was graced by Dr. Abdul Hafeez Shaikh and FBR Chairperson. In fact, through these webinars we were able to transcend geographical barriers with amazing outreach.

My compliments to Mr. Khalid Rahman, Chairman PAIB Committee and Mr. Ashfaq Tola, Chairman EAGR Committee, and members of the two committees for organizing series of very beneficial webinars.

Another initiative for members is the launch of the 'Digital Learning Hub' by CPD Committee, a user friendly e-learning platform giving access to the members across the globe to pace their learning according to their own needs and requirement.

## New Initiatives

### I-Thrive Incubation Center – Promoting Innovation

To promote innovation and entrepreneurship among its members and students, the Institute has launched I-thrive, the ICAP Incubation Centre. I-Thrive will provide for a period of twelve months, basic office infrastructure and allied facilities along with mentoring and hand holding to budding entrepreneurs to enable them to embark on ventures in accounting and finance.

Sixty-two applications were received for I-thrive. After vigorous screening and series of interviews, five applicants have been selected.

### ICAP-IBA Research Unit

The Institute has been trying to set up a research function and promote research culture for quite some time. To implement this idea, the Institute has collaborated with Institute of Business Administration (IBA) and established ICAP-IBA Research Unit.

Under the framework, Research Oversight Committee has been formed which is chaired by President ICAP. The Committee has shortlisted topics for research grants and applications have been invited.

### Corporate Advisory Forum

To strengthen engagement with the corporate world, Council has approved forming Corporate Advisory Forum, which will have representation of renowned corporate icons.

Corporate Advisory Forum will provide first hand knowledge of emerging business trends and requirements in order to equip ICAP for proactive policy responses, particularly, in the areas of image building of ICAP, professional development of members and students, improving employability of ICAP professionals, expanding members' practice domains and improving public trust.

### Internal Audit Practices Development Committee

Institute being the pioneer in establishing corporate governance in Pakistan is cognizant of the importance of internal audit function for improving the effectiveness of governance and risk management of an organization. The Internal Audit Practices Development Committee (IAPDC) has been formed to develop our members in this area through publications, trainings and learning tools.

Alhamdulillah, our Institute is on the path to thrive in the new normal, leading the profession in all fields. Embracing the challenges of present times, ICAP is working in public interest for the prosperity of our country, the profession and our fraternity.

I would like to thank all my Council colleagues specially the Vice Presidents, Ms. Hina Usmani and Mr. Rana M. Usman Khan for their exceptional support throughout the year and thank the members of all the boards and committees, Secretary and all the staff for their co-operation and contribution.

My prayers are for safety of all. May we all see a better tomorrow, a beckoning future.

**Khalilullah Shaikh, FCA**  
President



# Year 2020

## Education Scheme 2021



- The detailing of the Scheme including policies, processes and syllabi, is at its advanced stage of deliberation. (Page No. 40, Performance)

## Supporting Education



- 619 meritorious students from less privileged segment of the society were given financial support of Rs.11.3 million.
- 194 students who were among the top twenty position holders of any higher secondary board were awarded merit scholarship under Edhi-CA Talent Program amounting to Rs. 43.6 million.

## Events and Meetings



- Diversified engagement channels were used by the Institute to advocate the public interest and the profession, and provide thought leadership on national issues, such as:
  - Webinars on Fiscal laws and policies, Post COVID-19 Perspectives on Pakistan Economy, etc.
  - Discussions: Recommendations for federal and provincial budget 2020-21 with the FBR Member (Inland revenue (IR) Policy) were shared.
  - Representations on forums: The Institute actively participated in international and local forums: IFAC, PAIB, CAPA, CAW, SAFA, AOSSG, AAOIFI.
  - Communication: The Pakistan Accountant, Newsletter, Council's Highlights, President's Communication, Audit Bulletin, Budget proposals, etc.

## Quality Assurance



- 64 firms were reviewed for Quality Control Assurance.

### Professional Development



- Webinar views on an average reached to around 10,000 and in few cases over 30,000. Average live participation in webinars was around 200.
- 83 webinars, seminars, workshops and sessions covering 233 CPD hours were offered through Regional and other committees.
- 36 professionals and business leaders were certified under 3 Directors' Training Programs offered in 3 cities.
- 8 technical guides were issued; 28 Written responses and over 130 responses of Helpline queries.
- 38 technical articles were published in the Pakistan Accountant.
- National Finance Olympiad, a professional development initiative, was held in December 2019.
- 12 post webinar papers were developed.

### Serving the Public Interest



- AML Supervisory Board was established, which is supported by a dedicated AML Supervision Department, to fulfill monitoring and supervision responsibilities of the Institute.
- "Anti-Money Laundering and Combating Financing of Terrorism Regulations for Chartered Accountants Reporting Firms" were issued.

### Thought Leadership, Advocacy and Engagement



- Coordinated with SECP and took the initiative of developing iXBRL taxonomy.
- Worked with SECP on relaxation from IFRS 9, IAS 39; development of IFRS 9 implementation guidance for NBFCs; exemption from IFRS 16 for insurance companies and IFRS 9 exemption to NBFCs; and elimination of departures from IFRS.
- Comments were shared with SECP on alignment of Pakistan financial reporting regime with IFRSs, 'Guide Book on Corporate Governance and FAQs, 'Checklist on the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019' and Maintenance of Cost Accounting Records and Cost Audit.
- Shared with SECP the formats for Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019, Review Report on the Statement of Net Capital Balance and Liquid Capital and Audit report format of Mutual Funds as per ISA 700 (Revised).
- Comments on draft IFRS 9 Application Instructions for banks shared with SBP and Federal Board of Revenue.
- ICAP Budget Proposals 2020-21 were formulated and circulated to members.
- Webinars on Post Budget Conference 2020-21 and Post Provincial Budgets 2020-21 were organized during the year.

### Investigation



- The Investigation Committee finalized its conclusions on 27 cases during the year; 21 cases were dropped by the Committee and 6 cases were referred to the Council for decision.
- The Council disposed of 14 cases during the year and took disciplinary action in all 14 cases.

## New Outlook 2020-21

In 2020-21, the Institute expects unprecedented new developments in the business and professional ecosystem due to COVID-19 and beyond. Though it would be premature to term the year 2020-21 as post COVID-19, the Institute would be moving ahead with hope and resilience and pursuing its strategic objectives exuberantly. The opportunities created by pandemic for our members to access remote outsource businesses would be an important focus area of the Institute next year. The challenges of the public trust crisis and technological disruption will now be addressed keeping in view the new ecosystem. The Institute appreciates that public trust in the profession is the outcome of the Institute's pledge to safeguard public interest. To fulfill its commitment, professional excellence, ethical culture and professional behavior will remain the strategic focus of the Institute and will be the essence of its future activities while recognizing the changed circumstances that has now become the new normal. The section 'Matters that affect value creation' includes a detailed landscape of emerging trends having material impact on value creation of the Institute.



# Our Value Creation Model

The Institute draws on financial, manufactured, intellectual, human, social and relationship capitals as value drivers and, through its operational activities, converts them into services and products that create impact on:

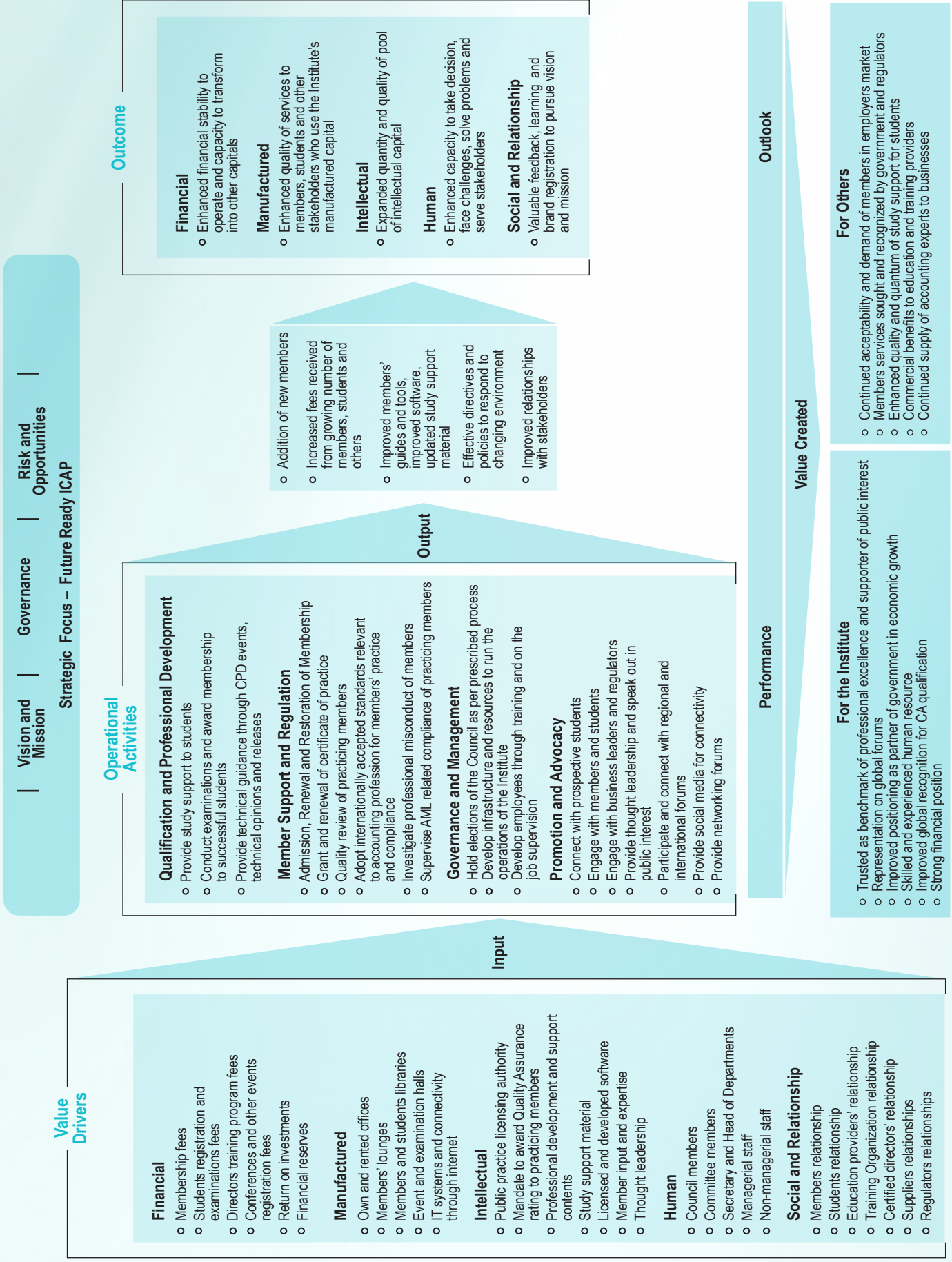
- Institute's unique leadership position in accounting profession,
- Human resource development,
- Financial stability of the Institute,
- Satisfaction of its members,
- Satisfaction of employers and the clients which its members serve,
- Quality and quantum of its intellectual resources, and
- Betterment of business environment of the country.

Institute's purpose, articulated in its vision and mission statements, remains the core focus of its activities keeping in sight the external environment including economic, technological, regulatory challenges. (Page No. 33, External Environment)

The governance structure of the Institute supports, ensures and navigates the Institute to create value over time. (Page No. 27, Governance)

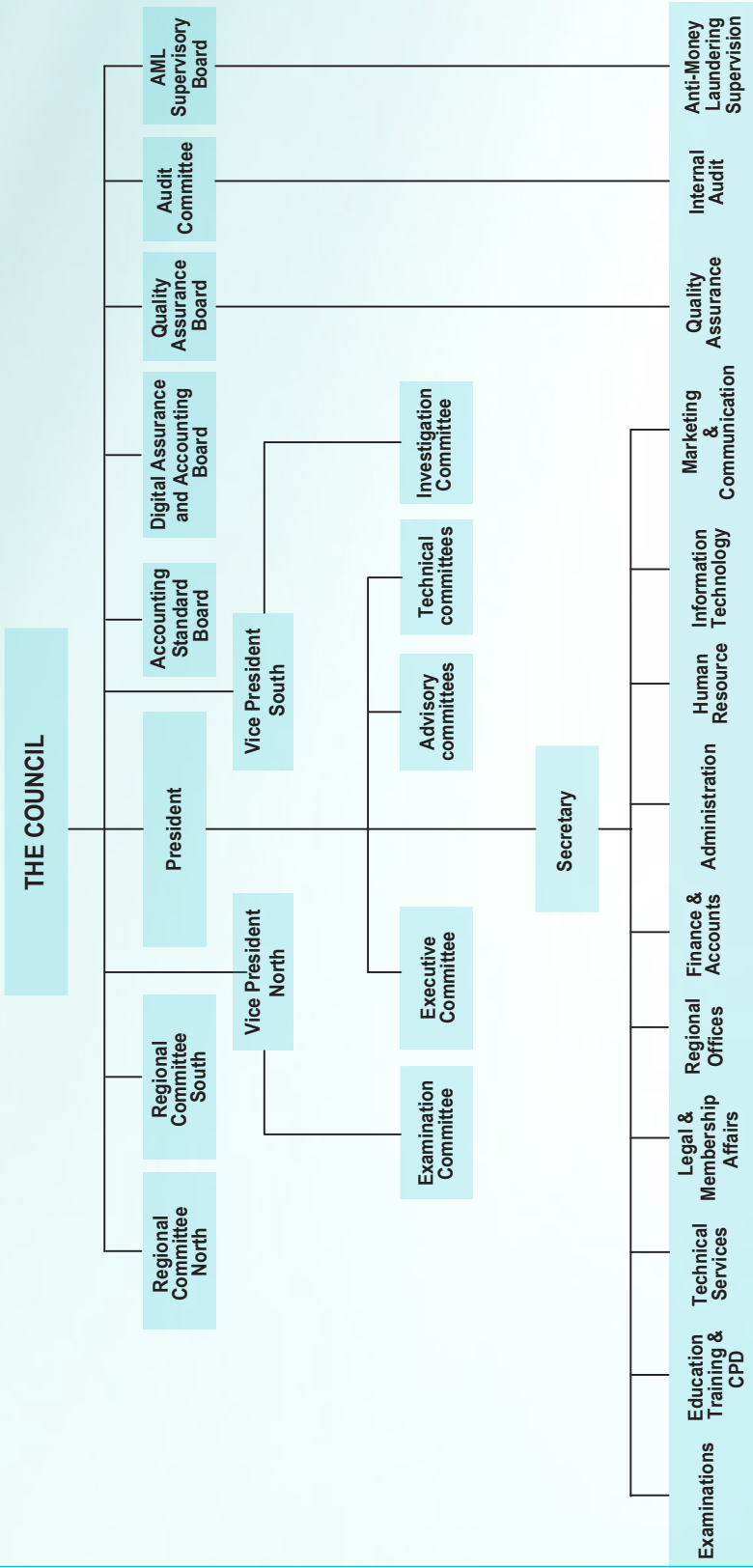
It may be noted that the natural capital is not significant enough in the operations of the Institute to be included in this report. However, impact of natural capital is part of Performance section. (Page No. 40, Performance)

# Value Creation Model





# Our Governance



## The Council

Council is the governing body of the Institute. It comprises of nineteen members elected/nominated for four years' period; fifteen are elected ICAP members and four are nominated by the federal government. (Page No. 06, Governance Statement)

## Office Bearers

President and the two Vice Presidents constitute Office Bearers who oversee the implementation of the directions of the Council and its Standing Committees. (Page No. 06, Governance Statement)

## The Executive

The Secretary is the administrative head of the Institute and provides leadership to the executive team. He is responsible for managing the operations of the Institute. (Page No. 06, Governance Statement)

## The Council of the Institute



From L to R: Riaz A. Rehman Chamdia, M. Sharif Tabani, Muhammad Awais, Iftikhar Taj, Farrukh Rehman, Ashfaq Yousuf Tola, Jafar Husain, Hina Usmani, Khalilullah Shaikh, Rana M. Usman Khan, Sami Ullah Musa, Khalid Rahman, Siraj Ahmad, Syed Najmul Hussain, Saifullah, Muhammad Ali Latif and Abdul Husain A. Basrai.

### President

Khalilullah Shaikh, FCA

### Vice Presidents

Hina Usmani, FCA

Rana M. Usman Khan, FCA

### Members

#### Elected Members

Ashfaq Yousuf Tola, FCA

Farrukh Rehman, FCA

Iftikhar Taj, FCA

Jafar Husain, FCA

Khalid Rahman, FCA

M. Sharif Tabani, FCA

Muhammad Ali Latif, FCA

Muhammad Awais, FCA

Riaz A. Rehman Chamdia, FCA

Saifullah, FCA

Sami Ullah Musa, FCA

Syed Najmul Hussain, FCA

### Government Nominees

Aamir Khan

Chairman Securities & Exchange Commission of Pakistan (SECP)

Abdul Husain A. Basrai, FCA

Muhammad Javed Ghani

Chairman Federal Board of Revenue (FBR)

Siraj Ahmad, FCA

## Management of the Institute



Front Row (L to R): Zehra Hassan, Sohail Akram, Omair Jamal, Syed Masood Akhtar, Farzana Munaf and Tahera Arshad.  
Back Row (L to R): Tahir Saeed Malik, Irfan Azam, Zeeshan Qadir, Shaikh Mohammed Fahim, Raheel Rehman, Reza Ali, Irfan Ghaziani & Arsalan Rabbani.

### Secretary

Syed Masood Akhtar, FCA

### Executive Director Legal & Head of Audit Practice Review and Support Program

Farzana Munaf, FCA

### Senior Director Education & Training

Omair Jamal, FCA

### Senior Director Examinations

Irfan Ghaziani, FCA

### Senior Director Quality Assurance

Shahid Hussain, FCA

### Director Quality Assurance

Reza Ali, ACA

### Director Technical Services

Sohail Akram, FCA

### Director Corporate & Legal

Saira Shamsie, FCA

### Chief Financial Officer

Tahera Arshad, FCA

### Head of Internal Audit

Irfan Azam, FCA

### Head of AML

Raheel Rehman, ACA

### Head of Membership Affairs

Zehra Hassan

### Head of Marketing & Communication

Arsalan Rabbani

### Head of IT

Zeeshan Qadir

### Head of HR and Administration

Shaikh Mohammed Fahim

### Deputy Director Marketing & Communication

Tahir Saeed Malik

# Our Governance & Value Creation

The Institute's foundation is set on a strong governance structure to achieve its vision. It is a balanced combination of adequate direction and supportive approach of the Council working in sync with senior management of the Institute and proactively responding to the dynamic external environment. Council members create value using their intellectual leadership, influences on different segments of society and provide exposure and financial acumen.

## Intellectual leadership

It is the thought leadership of the qualified and experienced Council members and senior management that brings insightful ideas on board to turn them into reality. Their profile and diversity improves the efficiency and effectiveness of our strategy and brings public trust in our outputs.

## Influence

The Institute capitalizes on relationship of its Council members and senior management with the government, regulators and industry to (a) understand the evolving environment and emerging needs of all market segments (b) advocate and promote the Institute's vision, and (c) enhance public trust in the profession. Members of the Council offer their services for national causes, particularly, economic development of the country, and these services are recognized by the highest level of Government.

## Exposure

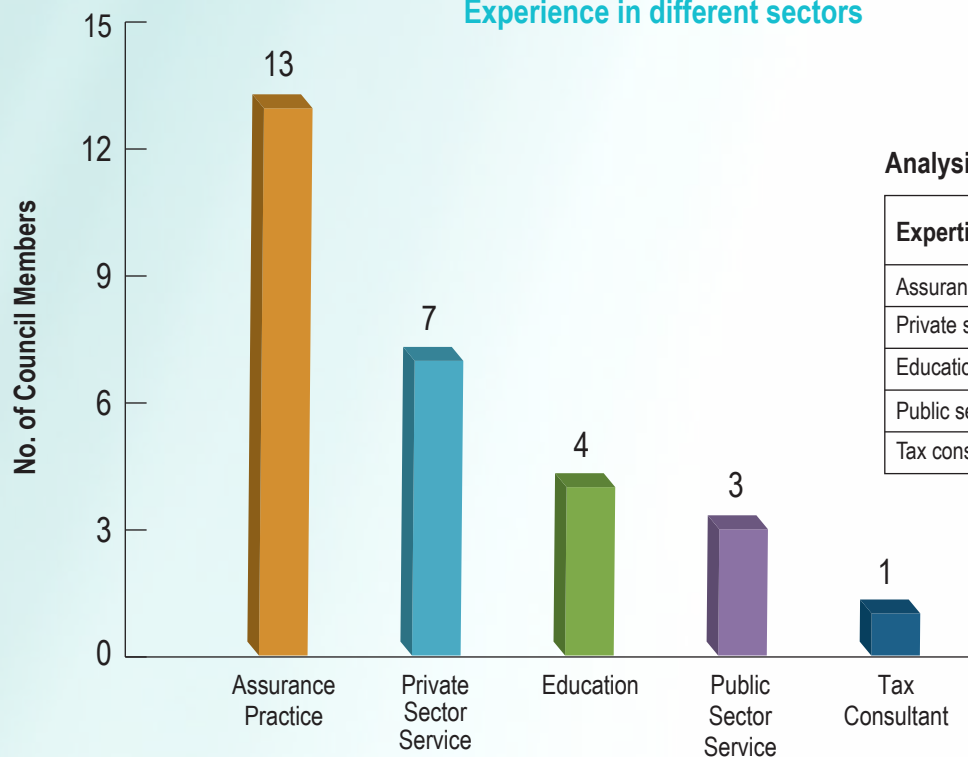
Council members and senior management of the Institute gain valuable exposure by interacting with international counterparts, experts and professionals whenever they represent the Institute on global forums, such as, on IFAC, CAPA, SAFA as members of boards and committees. This exposure enables the Institute to understand international trends and the manner in which other institutes respond or view them.

## Financial acumen

The Council understands the existing and projected quality and quantum of Institute's resources which assists it in allocating resources in line with the strategic priorities.

## COUNCIL

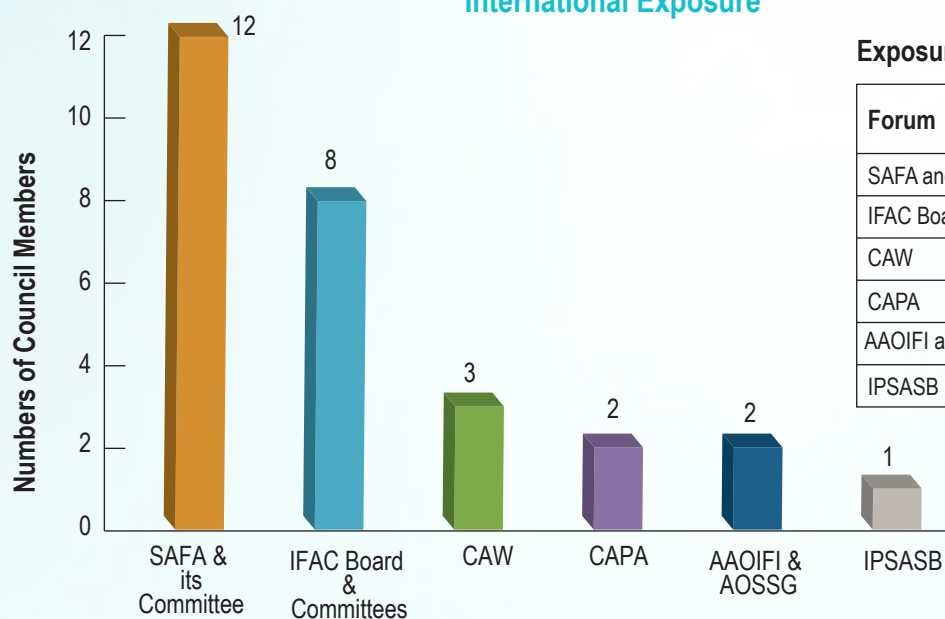
### Experience in different sectors



#### Analysis of Council members

Expertise in sector	Number of Council Members
Assurance practice	13
Private sector service	7
Education	4
Public sector service	3
Tax consultant	1

### International Exposure



#### Exposure of international forums

Forum	Number of Council Members
SAFA and its committees	12
IFAC Board and committees	8
CAW	3
CAPA	2
AAOIFI and AOSSG	2
IPSASB	1

Note: A member having more than one sectoral experience has been counted in all those sectors.

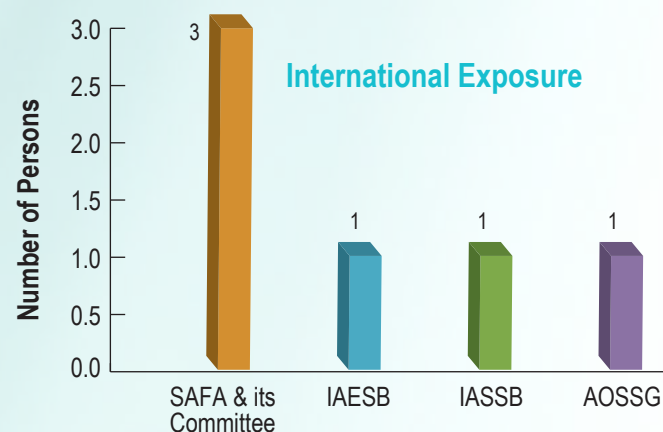


## Secretary and Head of Departments



### Major sectoral experience

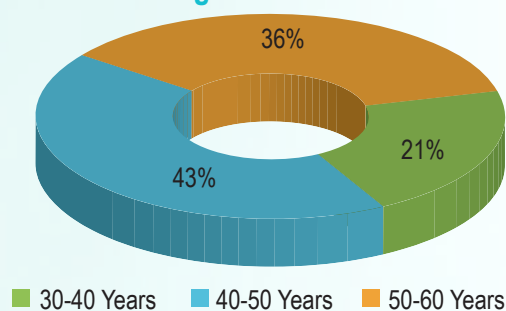
Sector	Number of Senior Management
Education	12
Private sector service	7
Assurance practice	4
Public sector service	3
Professional consultant	2



### Exposure of international forums

Forum	Number of Senior Management
SAFA and its committees	3
IAESB	1
IAASB	1
AOSSG	1

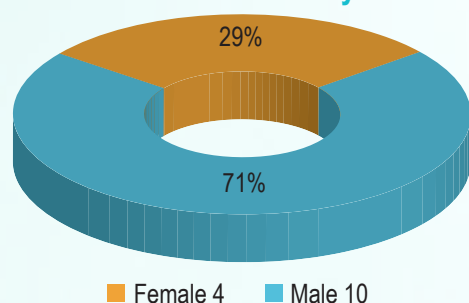
## Age Distribution



### Age analysis

Age Bracket	Number of Senior Management
30-40 Years	3
40-50 Years	6
50-60 Years	5

## Gender Diversity



### Gender distribution

Gender analysis	Number of Senior Management
Male	10
Female	4

# Our External Environment

'Thriving in New Normal' is a proof of the Institute's readiness for expected and unexpected circumstances as described in the following table. Our strategic focuses remains on public expectations from the profession, particularly, in terms of ethical and professional conduct, technological disruption and now the evolving new normal.

## External Key Trends

## Institute's Alignment to Thrive

### Growing demand for improved credibility of audit profession

Users of financial statements now recognize the effectiveness of audit quality assurance by the professional body along with independent oversight, preferably under the mandate of corporate regulator.

AOB was established by SECP and is fully supported by the Institute.

QAB of the Institute has a strong working relationship with AOB.

### Economic challenges

COVID-19 virus has slowed down the economic activity in the country due to over six months long lockdown. Almost all service sector - wholesale and retail trade, transport, entertainment, dine out facilities and storage; and labor intensive industries such as textile and apparel industry, faced the biggest damage.

On international front, leading economies see increasing uncertainty and threat. Even before the arrival of the coronavirus pandemic, a reappraisal of economic development policy was underway, which is set to have lasting implications for business and investors.

Economic crisis at home triggers increased global mobility of members. With reduced opportunities and increased competition abroad, international recognition and arrangement with foreign universities for top up degrees now has become vital for the members to gain better position in international market.

As an important part of national think tank, the Institute is contributing by working with the government to combat the challenges.

### Strict global measures against money laundering and terror financing

The Financial Action Task Force on Money Laundering (FATF) established in 1989, has now evolved into an effective watchdog of money laundering and terror financing. FATF issued the international standards for combating money laundering and terrorist financing and is continuously improving the same. The FATF identifies jurisdictions with weak measures to combat money laundering and terrorist financing in two public documents. First one, High-Risk Jurisdictions subject to a "Call for Action", identifies countries or jurisdictions with serious strategic deficiencies. The list is often called black list. Second one "Jurisdictions under Increased Monitoring" identifies countries that are actively working with the FATF to address strategic deficiencies in their regimes. This list is often externally referred to as the 'grey list'. Inclusion of any country in these lists has serious implications in terms of international trade and financial assistance.

The Institute established a diversified AML Supervisory Board to contribute towards fulfilling the national commitment of combating money laundering and terror financing.

The Board is supported by a fully functional secretariat housed at ICAP.

## External Key Trends

## Institute's Alignment to Thrive

### Global mobility

Significant number of members, particularly new entrants, find an array of attractive opportunities in the global market.

Content and structure of CA qualification is compatible with international standards and requirements.

International recognition and arrangement with foreign universities for top up degrees help the members to gain better positions in international market.

### Private sector

The pandemic continues with its impact on the business process, product and service lines, supply chain, resource allocation, priorities of customers and demand pattern. Private sector was quick in responding to the evolving trends. The innovation and transformation is now in demand and integral part of businesses.

Education Scheme has given special emphasis on skill set that relates to business strategy and management.

### Public sector

There is an increased desire in public sector for financial discipline and efficiency. The first step to fulfil such desire is high quality and reliable financial information and analysis. Therefore, demand for chartered accountants and affiliates is bound to increase in near future.

The Institute holds technical conferences on public financial management in collaboration with government to assess the specific needs of public sector.

There is a close interaction with public sector and government organizations to gear up institutional support at appropriate time.

The ASB of the Institute has been actively advocating accrual accounting for the public sector through close interaction with the AGP.

### Technology

In the times of lockdown due to pandemic, one thing that proved to be the top enabler for business continuity was technology. Now there is a consensus that cyber world, parallel to geographical world, artificial intelligence, machine learning, cloud computing, robotic process automation, big data, internet of things etc. are no longer buzz words. Rather, businesses are more than ever before expected to be transformed by these technologies. In fact, at all levels, team members are quick to adopt and adapt technology leaving no excuse for the organizations in embracing new way of business operations.

Technology has been one of the focus areas in revision of the education scheme.

Institute's operations are also gearing up for optimum use of technology, such as, e-marking, online registration, mobile applications etc.

Enterprise Resource Planning (ERP) solution with leading vendor has been finalized with firm plans to implement ERP in next two years.

Activities from the platform of DAAB shows the focus of the Institute on technology within the profession.

In January 2020 the SMP Committee of the Institute disseminated an offer of Wolters Kluwer UK (WK) a renowned audit software - CCH Audit Automation to ICAP members at a discounted price.

The audit software is expected to increase the efficiency and productivity of the audit process, including risk assessment, scheduling & planning fieldwork, review, report generation, etc.

## External Key Trends

## Institute's Alignment to Thrive

### Unregulated professional qualifications

Pakistan is considered a prolific market for accounting profession which attracts international professional bodies, private sector and individuals to establish institutions with professional outlook. However, this trend is resulting in the emergence of an unregulated professional segment in the country.

The Institute is monitoring the trend and, wherever appropriate, taking legal course of action to address the issue.

It also engages with relevant government authorities to deliberate on the impact of unregulated segment on public interest and devise response accordingly.

### Career decision

Students make their career decisions after getting Higher Secondary School Certificate (HSSC). The number of students appearing in higher secondary exams offered by local boards and Cambridge Assessment International Education are increasing.

The Institute, with the support of Registered Accounting Education Tutors (RAETs) and business universities, provide opportunity to students after completing their HSSC and graduation to pursue professional examinations of the Institute.

Certificate in Accounting and Finance (CAF) is offered in all major cities of Pakistan that bridges the knowledge gap of such group of students.

### Documentation of economy

In line with the international trends, Pakistan has also placed its focus on documented economy. Even for small and medium sized enterprises, doing business with informal records would not be easy in near future. This would create high demand for services of different tiers of professional accountants in large numbers.

The Institute, in addition to its prime CA qualification, introduced mid-tier certifications within the qualification framework including Professional Accounting Affiliate.

It has also been principally agreed to introduce few top-up certifications to extend and enhance the capacity of accounting professionals in areas of their relevant career interest.

### Global demand for adoption of international standards

Increased importance of international standard setting and adoption to serve multi-capital and multi-national interest requiring professional bodies to support the vision of IFAC.

ASB was established to have improved institutional focus and to strengthened the quality of financial accounting and reporting in Pakistan.

# Our Stakeholders' Value

Stakeholders' Value Perception	Engagement Process	Stakeholder Feedback	How We Align
<b>Members</b> <ul style="list-style-type: none"> <li>Assistance and guidance to remain competent.</li> <li>Opportunities and avenues for career progression.</li> <li>Gender diversity and inclusion.</li> <li>Financial support in case of hardship.</li> <li>Professional indemnity insurance for practicing members.</li> <li>Insurance for loss of employment.</li> </ul>	<ul style="list-style-type: none"> <li>The Institute provided various platforms to improve interaction between the Institute and its members including, Small and Medium Practices (SMP), Practising Members' Committee (PMC), Overseas Coordination Committee (OCC), Professional Accountants in Business Committee (PAIBC), CA Women Committee (CAWC), Continuous Professional Development Committee (CPDC), Overseas Chapters of ICAP Members.</li> <li>High level direct interaction with overseas members.</li> <li>Members who are in need of financial assistance approach Benevolent Fund directly or through peers.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback on workplace requirements was provided.</li> <li>Contemporary issues were deliberated in technical conferences.</li> <li>Female CAs and trainees shared the challenges in qualification and at workplace.</li> <li>The importance of recognition of the Institute's membership within and outside Pakistan was highlighted.</li> <li>Shared the financial need.</li> <li>The need for coverage of risk of certain professional losses was highlighted.</li> </ul>	<ul style="list-style-type: none"> <li>Kept the qualification in line with the needs of local and international business requirements.</li> <li>Approved to include emerging topics and competence in the new education scheme.</li> <li>A start-up support program in the name and style of [Thrive] was introduced.</li> <li>Engaged with international professional institute, local and international universities and Higher Education Commission (HEC) to gain enhanced recognition for CA and other mid-tier qualifications offered by the Institute.</li> <li>Provided technical guidance.</li> <li>Benevolent Fund provided financial assistance.</li> </ul>
<b>Practicing Firms</b> <ul style="list-style-type: none"> <li>Supply of competent and ethically sound professionals.</li> <li>Technical updates and guidance.</li> <li>Safeguard against serious non-compliance with the laws and regulation.</li> <li>Support in operational matters of practice.</li> </ul>	<ul style="list-style-type: none"> <li>In person meetings with leadership of practicing firms.</li> <li>SMP Committee and PMC meetings were held.</li> <li>Practice specific sessions are held.</li> </ul>	<ul style="list-style-type: none"> <li>The gaps in competence of members were identified.</li> <li>Feedback on quality of technical guidance was provided.</li> <li>Shared operational difficulty in complying with the legal frameworks applicable on practicing firms.</li> </ul>	<ul style="list-style-type: none"> <li>Kept the qualification in line with the needs of local and international business requirements.</li> <li>Provided technical guidance.</li> <li>Dedicated AML related support department established.</li> </ul>
<b>Students</b> <ul style="list-style-type: none"> <li>Study support for examination preparation.</li> <li>Practical training for professional development.</li> <li>Conducive environment for learning.</li> </ul>	<ul style="list-style-type: none"> <li>Open houses, group discussions and study circles were arranged.</li> <li>CA counseling webcasts.</li> <li>Exam specific sessions were held.</li> <li>Online distribution of study packs.</li> </ul>	<ul style="list-style-type: none"> <li>Gaps in study support material were identified.</li> <li>Experience with training organizations and education providers were shared.</li> <li>Experience of online testing was shared.</li> </ul>	<ul style="list-style-type: none"> <li>Revision and update of study support material.</li> <li>Applied better oversight on training organizations and education providers.</li> <li>Rapid response during COVID-19.</li> </ul>
<b>Education Providers</b> <ul style="list-style-type: none"> <li>Effective exam insight to tutors to channelize their efforts and energy in the right direction.</li> <li>Commercial viability of education providers' operations.</li> </ul>	<ul style="list-style-type: none"> <li>Paper-specific meetings were held with tutors.</li> <li>Direct communication was held with tutors.</li> <li>Joint review of examination papers and suggested answers was carried out.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback on the quality of paper setting was shared.</li> <li>Improvement in syllabus and study support material was suggested.</li> </ul>	<ul style="list-style-type: none"> <li>Applied better quality control over paper setting.</li> <li>Revision and update of syllabus and study support material was done.</li> </ul>
<b>Training Organizations</b> <ul style="list-style-type: none"> <li>Availability of quality trainees capable of performing field work of assurance and other engagements.</li> </ul>	<ul style="list-style-type: none"> <li>In person meetings held with the leadership of training organizations.</li> <li>Written communication made to know the demand for trainees.</li> </ul>	<ul style="list-style-type: none"> <li>The gaps in competence of trainees were identified.</li> <li>Future competency requirement of trainees were identified.</li> <li>Vacancies for students were shared.</li> </ul>	<ul style="list-style-type: none"> <li>Improved structure of qualification, curriculum and syllabus.</li> <li>Approved inclusion of emerging topics and competence in the new education scheme.</li> <li>Used the information about vacancies for induction of fresh students eligible for training.</li> </ul>
<b>Business community</b> <ul style="list-style-type: none"> <li>Supply of competent and ethically sound professionals.</li> <li>Quality assurance and other services by practicing members.</li> <li>Advocacy of their interest in the government circles.</li> </ul>	<ul style="list-style-type: none"> <li>ICAP connected with members and leaders in industry through PAIB Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Deliberation on key finance and accounting trends was held.</li> <li>Ideas for professional development of members in industry were generated.</li> </ul>	<ul style="list-style-type: none"> <li>National Finance Olympiad was held which is a finance competition for young members to enhance their strategic thinking, presentation skills and refresh knowledge of accounting.</li> <li>Industry specific guidelines entailing key finance and business functions on different industries were issued.</li> </ul>
<b>Government and regulators</b> <ul style="list-style-type: none"> <li>Improved quality of assurance services to protect public interest.</li> <li>Speedy disposal of professional misconduct.</li> <li>Advocacy of national interest in members and business community.</li> <li>Technical support and guidance on relevant topics.</li> <li>Digital Financial Reporting in Pakistan.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings of Coordination committees, Special task committees constituted by government and regulators.</li> <li>In person meetings with government officials were held.</li> </ul>	<ul style="list-style-type: none"> <li>The effective methods and channels of promoting national interest were advised.</li> <li>The implications of intended regulatory measures were discussed.</li> </ul>	<ul style="list-style-type: none"> <li>Held joint sessions and trainings to promote national interest.</li> <li>Participated in Special task committees constituted by government and regulators.</li> <li>Presented budget proposals.</li> <li>Provided technical support and guidance.</li> <li>IFRS based XBRL taxonomy is being developed.</li> </ul>



# Matters that Affect Value Creation

The Institute's Risk Management Strategy helps the leadership team to timely identify, evaluate and mitigate emerging risks with a vision to explore and tap potential opportunities hidden in these challenging times.

The year 2020, unfortunately, brought with it unprecedented challenges for the entire world due to the widespread pandemic COVID-19. The pandemic, not only surprised the world with a havoc on global economy and widespread disruption across every sector, but also challenged the vision and strategic direction of a number of top of the line entities.

In these times of disruption and uncertainty, the Institute's future fit values were rooted to sustain the organization's growth and vision. The leadership, values-driven and focused, successfully reinvented and adapted to the changing times in order to ensure that the opportunities are fully exploited in the best interest of the profession and accountancy world.

The risks already on radar were re-assessed and the impact of pandemic on the Institute's value creation was evaluated. A revised risk landscape now maps the key emerging risks, most critical to the organization and its response against the same. The Institute's strategic initiatives in line with its future fit values were leveraged to mitigate these risks and resultantly explore and provide significant opportunities to its members, students, partners and the environment to thrive in the new normal.

## Sustainable value creation model

Risk	Impact	Mitigation / Opportunity
Lack of technological, digital and operational strength to sustain the ever changing environment.	<ul style="list-style-type: none"> <li>Sustainability issues leading to survival crises.</li> <li>Getting irrelevant and outdated.</li> <li>Loss of speed and efficiency to deliver and facilitate under an environment changing at its fastest pace ever.</li> </ul>	<ul style="list-style-type: none"> <li>Future focused leadership and vision.</li> <li>Engagement with key stakeholders to know their service needs.</li> <li>Continuous improvement in digitization of functions.</li> <li>Plans to introduce fully integrated automated solution.</li> <li>Introduction of online examination mechanism.</li> </ul>
Failure to hire, retain and develop appropriate human resources.	<ul style="list-style-type: none"> <li>Poor quality services.</li> <li>Reduced capacity to develop and improve intellectual capital.</li> </ul>	<ul style="list-style-type: none"> <li>Regular review of HR policies and HR innovations keeping in view market trends.</li> <li>On the job and certified trainings on the basis of need analysis.</li> <li>Work on Institutionalization of knowledge capital developed in-house or through outsourcing.</li> <li>Work on more effective and across-the-board succession planning.</li> </ul>
Members' professional negligence, misconduct and failure to provide services according to the needs of the businesses.	<ul style="list-style-type: none"> <li>Erosion of public trust on members and qualification.</li> <li>Unemployment or underemployment of members.</li> <li>Decline in students' market share.</li> <li>Financial stress.</li> </ul>	<ul style="list-style-type: none"> <li>Qualification is awarded through valid and reliable examinations.</li> <li>Timely technical updates and support.</li> <li>Mandatory CPD for members.</li> <li>Improvement in qualification keeping in view feedback from business community.</li> <li>Plans to bring top up certification to provide maximum learning opportunities.</li> <li>Effective investigation mechanism.</li> </ul>
Breach of controls on examination processes including paper setting, conduct, security of scripts, marking and compilation of results.	<ul style="list-style-type: none"> <li>Loss of reputation.</li> <li>Decline in public trust on ICAP's assessment mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>Special criteria and vigilance over induction, training, performance and retaining of staff holding sensitive positions.</li> <li>All processes relating to examination papers within the controlled environment of Examination Department.</li> <li>Comprehensive policies on conflict of interest and their implementation.</li> <li>Frequent review of systems and procedures.</li> <li>Leveraging on latest technology for strengthening the controls.</li> </ul>
Dissemination of incorrect technical pronouncement, opinion or guidance.	<ul style="list-style-type: none"> <li>Loss of reputation.</li> <li>Decline in public trust on ICAP's intellectual capital.</li> </ul>	<ul style="list-style-type: none"> <li>Special criteria over induction, training, performance and retaining of staff holding technical positions.</li> <li>Extensive consultation at the Accounting Standards Board, Advisory Group, technical committee level consisting of experienced professionals.</li> <li>Regular interaction with IFAC and standard setting boards.</li> </ul>
Failure to meet the public expectations from the Institute to ensure high quality audit services by members.	<ul style="list-style-type: none"> <li>Reduction of ICAP's role in the QCR process.</li> <li>Threat to public interest.</li> </ul>	<ul style="list-style-type: none"> <li>Time to time webinars conducted by top of the class professionals to update members with latest technical knowledge and its application.</li> <li>Collaboration with course providers to enable members to stay future ready and purpose focused.</li> </ul>
Emergence of global pandemics like COVID-19.	<ul style="list-style-type: none"> <li>Operational disruptions leading to hindrances in delivery and facilitation.</li> <li>Financial crises affecting the ability to run the functions and to support members and students in such times.</li> </ul>	<ul style="list-style-type: none"> <li>Development and implementation of strong business continuity plan.</li> <li>Timely introduction and implementation of fight back policies like work from home, maximum utilization of IT solutions etc.</li> <li>Effective utilization of social media and website for members' awareness and facilitation in such times</li> <li>Introduction of reliable online examination and marking system.</li> <li>Increase in the use of webinars to keep members up to date.</li> </ul>

## Multi-Stakeholder Value Creation

Risk	Impact	Mitigation / Opportunity
Failure to keep pace with the demand for emerging and future skills.	<ul style="list-style-type: none"> <li>Lack of local and global competitiveness.</li> <li>Loss of members' relevance and reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Frequent webinars on on-going trends especially webinars conducted during COVID-19 times in order to highlight opportunities for members coming out of pandemic.</li> <li>ICAP mentorship program has been put in to action in order to leverage experience of seasoned Chartered Accountants for the development of younger CAs.</li> <li>Best corporate and sustainability reports awards is conducted by the Institute to promote best practices.</li> </ul>
Members' professional negligence, misconduct.	<ul style="list-style-type: none"> <li>Erosion of public trust on members and qualification.</li> <li>Lack of business opportunities and unemployment or underemployment of members.</li> </ul>	<ul style="list-style-type: none"> <li>Qualification process makes conscious efforts to include professional value, ethics and attitude as an integral part of examinations and training.</li> <li>Focused CPD sessions on incidents and consequences of professional misconducts.</li> <li>Effective and significantly independent investigation mechanism.</li> </ul>
Lack of opportunities of mandatory practical training for students.	<ul style="list-style-type: none"> <li>Decline in students' market share.</li> </ul>	<ul style="list-style-type: none"> <li>Regular assessment of practical capacity of training organizations.</li> <li>Plans to increase the number of Training Organizations outside Practice to increase the opportunities.</li> <li>Close engagements with Training Organizations.</li> </ul>
Lack of social contribution.	<ul style="list-style-type: none"> <li>Insufficient CSR activities.</li> <li>Inability to return to the society.</li> </ul>	<ul style="list-style-type: none"> <li>Policies in place in order to ensure contribution to the society.</li> <li>Ongoing Corporate Social Responsibility (CSR) drives for various purposes to play a part in development of society.</li> </ul>

## Growth with purpose

Risk	Impact	Mitigation / Opportunity
Compromise on quality over quantity.	<ul style="list-style-type: none"> <li>Loss of reputation and brand equity.</li> <li>Defeating the very purpose of existence.</li> </ul>	<ul style="list-style-type: none"> <li>Effective entry barriers to allow entry to students who have reasonable chance to progress in career.</li> <li>Strict and rigorous controls over examination system.</li> <li>Career counselling fairs to attract talented and competent youth.</li> </ul>
Insignificant contribution of the profession to the accounting and reporting world.	<ul style="list-style-type: none"> <li>Reduced visibility of ICAP on global map of accounting profession.</li> <li>Weakening of brand equity.</li> </ul>	<ul style="list-style-type: none"> <li>The Institute publishes up to date accounting guidance on the current prevailing matters to equip the accounting world with progressive skill set.</li> <li>Active participation in regional and global forums.</li> </ul>

## Effective Partnerships

Risk	Impact	Mitigation / Opportunity
Inability to rightly position ICAP on the global map.	<ul style="list-style-type: none"> <li>Loss of potential opportunities to growth.</li> <li>Loss of leveraging strengths from environment for growth.</li> <li>Loss of mutually beneficial partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of strategic partnerships within and outside Pakistan.</li> <li>Continuous monitoring and efforts to keep these partnerships active and mutually beneficial.</li> <li>Utilization of these partnerships to develop the accountancy profession as a whole on national as well as international level.</li> </ul>
Lag behind in sustainable development goals.	<ul style="list-style-type: none"> <li>Drainage of resources while working in isolation.</li> <li>Negative reputation impact due to non-alignment with 2020 Sustainable Development Goals (SDGs).</li> <li>Loss of long term stability and impact.</li> </ul>	<ul style="list-style-type: none"> <li>ICAP's strategic plan is to build robust and effective collaborations to achieve extraordinary results.</li> <li>Strong relationship management with government regulators and other educational bodies in order to achieve wider and greater reach and sustainable development impact.</li> </ul>

# Our Performance

The Institute reports its performance in line with key performance areas and major plans included in the Strategic Planning 2017-21 (Page No. 16):

- Qualification and Professional Development
- Member Support and Regulation
- Governance and Management
- Promotion and Advocacy

## Qualification and Professional Development

### Value for students

Revision of education scheme: The Education Scheme 2021 is now in its advanced stage. The following activities were carried out in revision exercise:

- A comprehensive revision and review exercise was carried out by various committees and task forces. The final recommendations are under active deliberation of the council.
- To implement the scheme, process of review of various policies of education and training has been started.
- For the Education Scheme 2021, the Institute is engaged with some leading publishers for the development and review of its study materials.

**Introduction of online course:** To provide learning opportunity to its students, the Institute introduced a compulsory online course 'Professional Values, Ethics and Attitudes'. The Course includes three learning phases; knowledge, application and ethical decision making. The final outcome of the Course provides an insight to respondent's decision making approach in the form of a personalized behavioral report.

**Approval of new TOs and RAETs:** To increase training and education delivery facilities, 10 new Training Organizations in practice and 3 new Registered Accounting Education Tutors were approved.

**Study support material:** During COVID 19 lockdown, students were able to access all material online. With relaxation in the restrictions, the Institute supplied the hardbound copies to the students at their doorsteps. Revisions and improvements continued in the study materials.

**Examination attempts:** This year over 44,000 students appeared in CA examinations as compared to 57,000 in the year 2018-19.

**E-marking:** E-marking was fully implemented to mark transcripts online, facilitating the Institute to process and declare results as per the scheduled time despite operational disruption due to the pandemic.

**AFC autumn 2020 online exams:** The Institute successfully circumvented the limitation of in-person examination, due to COVID 19, by offering Autumn 2020 AFC exams from home under remote proctoring environment. These exams were offered and results announced before Autumn 2020 CAF exams that allowed the students to appear in next level exams subject to progression rules in the same attempt.

**Open book examination:** The policy has been extended to Corporate Law paper in 2019-20. A model paper was uploaded on the Institute's website to guide students about the new approach of testing.

**Appointment of subject specialists:** Appointment of subject specialists continued to strengthen supervision of the examination process. Subject specialist of Corporate and Allied Laws was appointed this year in addition to Accounting and Business Management groups, whose subject specialists had been appointed prior to 2019-20.

**Training induction fair:** To provide a platform to newly CAF-Qualified Students and TOs, to present themselves before each other, Training Induction Fairs were held in November 2019 in major cities of Pakistan.

**Monitoring and engagement of TOs:** Directorate visited 16 TOiPs and 20 TOoPs covering both regions and major cities across Pakistan.

**Session on exams guidelines and techniques for students:** ICAP Lahore held the sessions for CAF, CFAP and MSA students which were also webcasted through video conferencing. For students residing within or outside Pakistan, live sessions provided opportunity to cover the important topics of the syllabus and learn the exam specific techniques which could be pivotal for their exam success.

**CA elocution and quiz contest:** CA elocution and quiz contest for trainee students was arranged in Karachi, Lahore, Islamabad, Faisalabad, Multan and Peshawar. This contest provided the opportunity to students to gain more knowledge, improve their performance and communication skills.

**Session on how to enhance your employability:** The Institute held the session for recently qualified CAs and Affiliates. The objective of the session was to provide a comprehensive overview to recently qualified CAs, Affiliates and CFAP students to discover the best strategies for succeeding in interviews and also improving their CV writing skills which is the first step to securing the ideal job and is crucial for career success in today's business dynamism. Similar professional development sessions continued throughout the year, to groom and nurture CA trainee students in a wide array of areas pivotal for their professional and training duration.

**Opening of library:** President ICAP, Khalilullah Shaikh inaugurated the new ICAP Rawalpindi City Library, in line with the Institute's commitment to provide best-in-class facilities to its students and allowing them to prosper in their career with CA - Signature Qualification.

**Renovation of Karachi library:** Students library at Karachi office was renovated to improve the capacity, interior environment and sitting comfort. The front outlook was elegantly enhanced that now gives a professional look in line with the standing of the Institute.

## Value for members and other professionals

**Participation in Committees and boards:** The Institute provided opportunities to its members to participate in various committees of the Council. Over 270 members acquired valuable learning and skill development

experience while working with professionals from diversified fields. Various members were given opportunity to lead task forces and sub-committees of the Institute.

**Directors training programs:** During the year the programs were held in major cities of Pakistan. The programs are regularly offered across the cities to assist professional development of members and director level professionals for effective performance and strengthening their organizational governance.

**Webinar series on Financial Modelling:** Advanced Excel webinars were arranged covering a wide range of Excel tools and techniques for data analysis, each spread over eight (8) sessions of one and a half hour each.

**National Finance Olympiad 2019:** This year, in addition to Pakistan, UAE and KSA, the competition was open to ICAP members and finance professionals in Qatar and Bahrain as well. Total 52 teams from industry, firms and educational institutes across Pakistan and UAE participated in the competition. EY Ford Rhodes claimed victory while Midas Safety and Heal Aid Foundation became the first and second Runner-ups, respectively. (Page No. 126).

**The Pakistan Accountant:** Since 1961, The Pakistan Accountant (TPA), the flagship quarterly magazine of the Institute, has been informing its stakeholders, about leading developments in the accountancy profession and business and finance world. Besides articles on auditing, accounting, taxation, economy, etc, the magazine includes interviews with ICAP past presidents, senior members, women members, top management of local and multinational companies, etc.

**CPD events:** During the year, RCs, PAIB Committee, EA & GR Committee, Fiscal Law Committee, OCC and CPD Central Committee provided several learning opportunities. Some of these events include learning engagements and insights during COVID-19:

- **Webinar on Impact of COVID-19 & Relief Measures announced by the Government on Construction Sector.** The CPD Committee along with EA & GR Committee and Fiscal Law Committee jointly organized this webinar discussing comprehensive relief/stimulus package on Construction Sector, and the economic impact of the relief package (April 22, 2020).



- **Webinar on Leadership for Accountants – How to survive and thrive in Crisis.** The webinar was focused on the role of the C-Suite in navigating crisis such as carrying on business responsibilities, transforming mindsets and implementing operational strategies to survive and ultimately thrive. (May 09, 2020)
  - **Webinar on Briefing on AML Framework & the Firms obligations:** The first of its kind webinar was organized to create awareness on successful implementation of the AML framework. Obligations of a practicing firm relating to AML & CFT regime were shared (May 11, 2020).
  - **Webinar on Women Leadership Development Program:** The webinar helped the participants in strengthening the knowledge of women professionals, of early to mid-career range, who have an ambition to become future Board/Corporate leaders (May 12, 2020).
  - **Webinar on QCR Framework 2019 and Challenges Facing SMPs:** In this webinar, Quality Assurance Department (QAD) of the Institute shared insights about the revised QCR Framework 2019 and the related challenges and way forward for SMPs (June 09, 2020).
  - **Webinar on Post Budget Conference 2020 – Pakistan Post COVID-19 Budget & Economic Measures:** The Fiscal Laws Committee and EA & GR Committee of the Institute, in collaboration with the Southern and Northern Regional Committees, organised the webinar (June 16, 2020).
  - **Webinar on Post Budget 2020:** The Fiscal Laws Committee organized a webinar on Post Provincial Budgets 2020 on submitting its recommendations for the Federal and Provincial Budgets to the Government (June 25, 2020).
  - **Webinar Series in response to the pandemic:** The ICAP Professional Accountants in Business (PAIB) Committee in coordination with Regional Committees introduced ICAP Webinar Series to connect industry leaders with ICAP Members to share the impact of covid-19 on various sectors in Pakistan.
- The Committee conducted the following webinars during March to September 2020:
- o Pakistan Economy Today & Tomorrow – Surviving the Crisis
  - o Business Transformation Today & Tomorrow – Pakistan Perspective
  - o Organizational Resilience Today & Tomorrow – Leadership Perspective
  - o Oil & Gas Sector – Exploration, Production & Distribution: Surviving the Crisis & Entering the New Normal
  - o How to Cope with Stress During Pandemic
  - o Pharmaceutical and Healthcare Industry – Challenges & Opportunities
  - o Financial Services Industry – Challenges and The Way Forward
  - o Power Sector – Light at The End of the Tunnel
  - o Startup Ecosystem in Pakistan – Challenges & Opportunities
  - o FMCG Sector – The Winner Amidst the Crisis
  - o The New Landscape of the Apparel and Textile Sector in Pakistan
  - o Reshaping the Oil & Gas Sector (OMC's & Refineries)
  - **Webinar on Corporate Governance – Key provisions:** This important webinar was organized to discuss key provisions (including important changes introduced) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (July 1, 2020).
  - **Webinar on Way To Become A Successful Practitioner:** To discuss challenges and what it takes to grow as a successful Practitioner, CPD Committee Lahore planned a detailed webinar. Prominent speakers shared different challenges and opportunities in Practice, to overcome the fear of starting own practice (July 14, 2020).
  - **Webinar on Business Process Outsourcing – Unleashing new opportunities:** For finance professionals, business process outsourcing is a sphere where there is a lot of room for development of service lines. This webinar aimed at helping them to move into new realms of services that have not been properly explored by local finance professionals. This program was useful for practicing as well as non-practicing members.
  - **Webinar on Digital Audit Evolution & Transformation:** The webinar series addressed one of the most critical challenges revolutionizing conventional audit through digital audit (July 16, 2020 & July 28, 2020).
  - **Webinar on Awareness Session on AML Framework & the Firms obligations:** The webinar provided an opportunity for all firms to understand their responsibilities under the AML Framework (July 27, 2020).
  - **Webinar on Other Laws-Employees' Benefits:** (August 28, 2020)
  - **Webinar on Recovering from COVID-19 Apex Regulator's Corporate and Capital Markets Perspective:** The session aimed to bring together Securities and Exchange Commission of Pakistan (SECP) and forward thinking chartered accountants

to pave the pathway towards incubating sustainable ecosystem for the corporate sector and capital markets of Pakistan (August 20, 2020).

- **Webinar on Future of Oil Prices:** The Overseas Coordination Committee in collaboration with the newly formed Oman Coordination Committee of ICAP Members (Oman-CCIM) organized a webinar on the topic of 'Future of Oil Prices' (August 22, 2020).
- **Webinar on Impact of COVID-19 on the Real Estate Industry & Property Market Outlook:** The Managing Committee of the UAE Chapter of ICAP Members in collaboration with Overseas Coordination Committee (OCC) of the Institute organized an insightful webinar for industry insights in international market. (September 12, 2020)
- **Webinar on Global Economy Post COVID – Recovery & Beyond:** The Overseas Coordination Committee in collaboration with the UK Chapter of ICAP Members organized a webinar on the topic of 'Global Economy post COVID - Recovery & Beyond' (September 21, 2020).

**Post webinar papers:** As an extension of the Institute's Webinar Series and to maintain a database of knowledge, the content and discussions of the webinars were summarized to provide a structured reading to interested members and other professionals. Post-webinar papers were also included in IFAC Knowledge Gateway.

**Digital Learning Hub:** To facilitate members, Digital Learning Hub has been launched. It is a user friendly platform for the members across the globe to pace their learning according to their needs and requirement. Videos have been uploaded under various categories under different tabs such as Audit, IFRS, Strategic Management, Leadership etc.

**CA Toastmasters Clubs:** Affiliated with the Toastmasters International, CA Toastmaster Clubs operate in Karachi, Lahore, Islamabad, Multan, Faisalabad and Peshawar for the purpose of promoting communication, public speaking and leadership skills amongst CA fraternity and finance professionals at large. They organized various presentations and speech competitions which continued online amidst pandemic.

**Recognition by Accountants & Auditors Association (AAA-UAE):** The UAE Chapter of ICAP Members in consultation with Chairman OCC facilitated a negotiation with executives of AAA UAE. AAA's Board approved membership of AAA to ICAP Members having two year experience in UAE.

### Performance Indicators

#### Qualification and Professional Development

- The syllabi of all subjects introduced in Education Scheme 2021 have been submitted for the deliberation of the Council.
- Over 300 trainee students have been enrolled in newly introduced Professional Value Ethics and Attitude online course.
- Fresh edition of study material of 11 subjects were introduced.
- Comments of the external stakeholders such as RAETs and External Reviewers reveal significant improvement in the quality of paper setting and wider testing of syllabus outcomes.
- Open book policy helped in development of critical thinking and problem solving skills.
- Around 1700 students attempted their examination from home and got the chance to progress to next level in the same attempt saving their six months.
- 36 TOs were given written feedback and their comments thereon were obtained.
- Over 270 members participated in different committees and boards during the year.
- 83 seminars, webinars, workshops and sessions covering 233 CPD hours were offered during the year.
- 3 Directors' Training Program held certifying 36 members and non-members.
- Enhanced learning and guidance opportunities made available to members, students and other professionals.
- CA Toastmasters Club across Pakistan have more than 180 members and 145 meetings were held during the year.
- Total 52 teams from industry, firms and educational institutes across Pakistan and UAE participated in the National Finance Olympiad (NFO) competition. Teams and audience of NFO 2019 endorsed the learning experience.
- Around 4500 online student requests for distribution of study materials were entertained.
- Over 29000 students joined Exam focused revision sessions through webcast.
- Over 13 students are enrolled for BSc & 34 members are enrolled for MSc programs of University of Northampton, UK to date.

## Members Support and Regulation

### Value for members

**ICAP Mentorship Program:** ICAP Mentorship Program, launched in February 2017, is working in full swing for ICAP Members and Affiliates. It is a highly beneficial initiative wherein senior and experienced professionals with diversified backgrounds in practice, industry and academia serve as mentors to provide guidance to protégé. With the support of Overseas Chapters, the program also has mentors from Bahrain, Canada, KSA, UAE and UK.

**Series of publications related to COVID-19:** To facilitate our members in identifying and responding to key accounting and reporting implications in the state of uncertainties and complexities and to help our auditors in responding to challenges arising due to COVID-19, the Institute's Technical Services team issued a series of publications on financial reporting and auditing issues:

- Preparation of Financial Statements under the COVID-19 Circumstances
- Financial Reporting Guidance – Key considerations for Impairment under the COVID-19 situation
- Financial Reporting Guidance – Key financial reporting considerations for going concern assessment under the COVID-19 situation
- Financial Reporting Guidance – Accounting considerations for lenders and borrowers under the State Bank of Pakistan's Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns
- The Impact of COVID-19 on Audit – A Guidance for Auditors
- Guidance for Auditors – Key Considerations for Inventory Counts under COVID-19 Situation
- Adoption and Application of IFRS in Pakistan
- Exposure Draft of Technical Release on 'Accounting for Common Control Transactions' along-with its Basis for Conclusions was developed and issued for member's comments.

Few of the above publications were also shared with IFAC and various other regional bodies and are also available on IFAC website as COVID-19 resources from IFAC's Network.

Additionally, the following resources also helped the members in updating their knowledge:

- Illustrative Financial Statements and Disclosure Checklists for Public Interest companies and Medium-sized companies
- Format of Auditor's Report on Financial Statements of the Retirement Benefit Funds
- Quarterly Audit Bulletin
- Monthly Technical Update

**Members' particulars update drive:** The Institute values the association with its members. Accordingly, a total of 7,949 emails were sent to the members during the lockdown period (April 2020) to confirm/ update their particulars and ensure mutual connectivity. The purpose of the exercise was to guarantee that the members do not miss important emails and notifications from the Institute.

**Access to membership service desk:** Membership department facilitates its members via one-window membership service desk in respect of issuance of letter of good standing, attestation of ACA/FCA certificates, visa and immigration letters, verification for employers and other third parties.

**One Click Engagement Drive:** From March 2019 the One Click Engagement Drive was conducted where in the 1st week of every month a One Click CPD email is circulated and members are able to report their CPD hours directly.

**Individual summary in email:** Many members forget to check their status regularly. To facilitate such members, an individual summary was sent to them advising their current status, shortfall, if any, and the total CPD hours required for being compliant.

**Benevolent Fund:** During the year, the Fund extended financial assistance to members and their families and made available Group Term Life Insurance Scheme and Group Health Care Scheme to members opting for these schemes. The detailed report of the Fund is included in this report (Page 64).

**SBP Refinance Scheme for Salaries and Wages:** The Institute has collaborated with BankIslami Pakistan Limited to facilitate our Practicing Members in obtaining financing facility under 'SBP Refinance Scheme for Salaries and Wages'. BankIslami Pakistan provided priority services to the applicant Firms with dedicated help desk.

**ICAP new Members Area:** The vision of providing members with an exclusive space was realized with the inauguration of the new Members' Area at ICAP House Karachi.

This exclusive Members' Area has been equipped with an upgraded and remodeled networking lounge, a hybrid library providing both the digital and conventional studying experience, a purpose built Business Center for the members, especially those visiting from overseas, a dedicated meeting room with sound proof acoustics & multimedia facility, a Huddle/Discussion Room to sit, interact and discuss ideas and a modern gym catering to our Members' health & fitness needs.

Similar member areas are planned for other cities as well.

## Serving the public interest

**Quality Assurance:** QCR of 64 (2019: 22) audit firms were concluded. This necessitated a review of 279 (2019: 68) statutory audit engagements at 102 (2019: 33) locations spread over Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Sialkot.

**Investigation cases:** Investigation Committee, after deliberations and review of the merits of complaints, finalized its conclusions on 27 cases during the year. Out of which, 21 were dropped by the Committee and 6 were referred to the Council for decision. The Council disposed of 14 cases during the year and took disciplinary action in all 14 cases.

**Annual Report of Investigation Committee:** The Annual Report of Investigation Committee 2019 was shared with the members in June 2020. It provided an overview of the cases of professional misconduct, explained the process of investigation and discussed some of the common irregularities which had been committed by the practicing members.

**AML & CFT Supervision:** The Institute has been effectively engaged with the FMU and SECP to ensure effective implementation of the National Action Plan in order to improve Anti-Money Laundering and Combating the Financing of Terrorism regime in Pakistan.

The Institute has established an AML Supervisory Board duly supported by AML Supervision Department. In order to facilitate the members, the Institute has taken following steps:

- A dedicated AML Supervision page has been developed on the Institute's website which includes relevant regulations and the guidance documents for AML / CFT purpose.
- The Institute has developed an online AML Portal where by the firms can submit the Returns automatically in a user friendly environment.
- A dedicated helpline and email address has been setup to address the queries of the members in an effective manner.
- A series of awareness sessions through webinars have been arranged by the Institute for assisting the firms in ensuring compliance of the AML / CFT Regulations.
- Comprehensive Frequently Asked Questions (FAQs) have been circulated and also placed on the AML Supervision page of the Institute's website.

**IFAC independent Board's Consultation:** During the year after due deliberations, comments have been sent on the following exposure drafts to IAASB and IESBA:

- 'Proposed the conforming of amendments to the IAASB International Standards as a result of the Revised IESBA Code'

- International Accounting Standards Board (IASB): This year, the Institute engaged with IASB and IFRIC on Pakistan specific accounting matters.

**Initiative on promoting accounting standards cooperation among participating countries of the Belt and Road Initiative:** During the year, the Institute participated in the Belt and Road Initiative Accounting Forum held in China. The ASB Chair also made presentation on the financial reporting regime of Pakistan.

**Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI)**

- AAOIFI Secretary General was invited in the ASB meeting. He made a detailed presentation on the Islamic financial accounting projects and standard-setting approach of AAOIFI.
- Comments on the AAOIFI's Exposure Draft of External Shari'ah Audit Handbook were developed and shared with the AAOIFI.

### Performance Indicators

#### Members Support and Regulation

- The QCR rating of 60 firms were considered as 'satisfactory' while 4 were concluded as 'unsatisfactory'. This year, 8 firms were added on the 'list of firms having satisfactory QCR rating'.
- Annual Report of Investigation Committee made available on timely basis.
- The Institute has 31 mentors; 23 from Pakistan and 8 Overseas with around 130 registered mentees.
- Over 200 members were served through online confirmation of credentials.
- Timely adoption and implementation of international standards and the development of competent and credible professionals to implement them.
- Timely issuance of guidance/publications for members and other stakeholders.
- Timely issuance of response to members' queries.
- Thought leadership with original research on local pertinent issues.
- Expansion in members' guidance pool.
- Improved convenience for members seeking services from the Institute.
- Improved public trust on the profession.
- Contribution in international initiatives shaping the profession.
- 32 families including 5 living members were extended financial assistance through benevolent fund.
- More than 1500 members have updated their CPD hours using one click engagement drive.
- Around 12 publications by technical departments facilitated members during this pandemic on accounting and reporting related matters.



## Governance and Management

### Financial viability of the Institute

Revenue	Total Comprehensive Income	Total Assets	Accumulated Fund
Rs. 1.162 Billion	Rs. 196 Million	Rs. 1.928 Billion	Rs. 1.627 Billion

**Overview:** Our total comprehensive income for the current year stood at Rs 196 million showing an increase of 2.6% as compared to previous year. Year on year, we have seen the revenues increasing from Rs 715 million in 2015 to Rs 1.162 billion in 2020. Pakistan, being a volume based market, has high competition levels. The major source of increase in our revenues is the increase in the number of students and members. Our growth in revenues have provided us with the financial base to direct our resources on our future capital intensive strategic projects which include our Audit Practice Review and Support Department, our ambition related to the complete automation of our processes and our laser sharp focus on improving the delivery of our services.

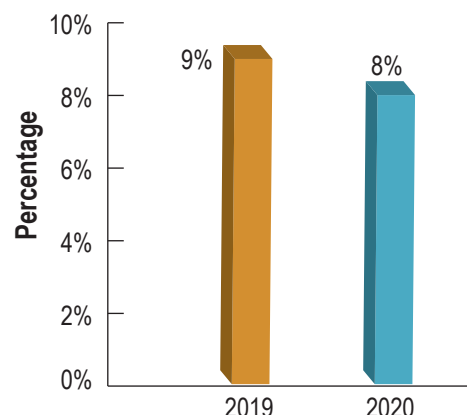
**Fund Position:** Our fund position has been showing a consistent level of growth every year. The financial year 2019-2020 showed a 14% growth in the overall fund position. The fund position of the Institute provides it with a strong financial base and sustainability to walk through the future with its pure focus on identifying and creating top human capital and value through its centre of professional development.

**Assets and Liabilities:** The Property and Equipment showed an increase because of renovation work carried out at major locations. The other long term assets showed a decline because of conversion of fixed term investments from long term to short term. Major contributor to the increase in current assets is short term investments.

### Value for human capital

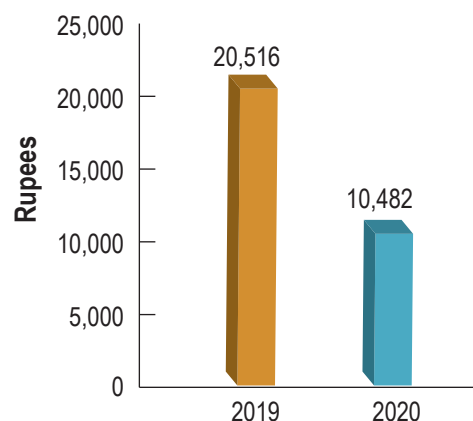
**Talent Acquisition:** The Institute promotes and provides career opportunities to qualified and experienced professional to help them grow and enhance their knowledge and skills. This year, the Institute inducted bright and energetic individuals in various departments. We believe in keeping an inclusive approach for recruitment and talent management.

### Voluntary Employee turnover



**Learning & Development:** The Institute encourages employees to enhance their skillset and provides ways for their growth and enrichment in their respective roles. The Institute's professional development initiatives are integrated with its overall strategy. Over 60 employees attended training workshops during the year. In addition, various in house training sessions including sessions on Project Management, Taxation, Verification and attestation of documents, IFRS, ERP, IT security and a quiz on the course on Professional Values and Ethics were conducted. Certificates of participation and appreciation were also awarded to staff members.

### Average training spend per employee



**Team Building Group Activity:** An interactive session between office bearers and staff members was held on Saturday February 8, 2020 at our head office. The purpose of this session was to share and reiterate the Vision and Core Values of the Institute with the staff members and seek their suggestions for improvement where necessary.



**Diversity and inclusion:** We affirm our belief in induction as well as promotion of diverse workforce across the country. The Institute is an equal opportunity employer.

**Employee engagement and wellbeing amidst COVID:** In combating COVID-19 crises and prevailing situation, sustaining positive attitude amongst staff members and their wellbeing became the first priority. For the very first time, flexible work from home opportunities were provided and relevant policies were implemented to ensure productivity and performance. The employees transition to adopt to new normal, virtual town halls and group communication within departments and inter departments were in place to keep up with sharing of information and experiences amidst changing times.

**Employee feedback and surveys:** In order to assist and encourage employees to manage and adapt to change, an online survey on Employee engagement and wellbeing was conducted. This survey helped in gathering employee feedback from changing policies and their experiences during work from home. Most of the employees appreciated the Institute's flexible outlook and it was assured that work from home does not mean losing on to efficiency.

**Digitalization:** Where COVID-19 brought in challenging and continuously changing circumstances both for the Institute as well as employees, it also opened ways for remote recruitment and evaluation processes. Processes for application, interviews as well as evaluation became online. This does not only enable the operations to continue, but also attracted talent from all across the country.

## Value for users of manufactured capital

**ERP implementation:** The Institute signed agreement for implementation of SAP ERP & Student Life Cycle Management (SLCM). This implementation will significantly enhance the efficiency of operations of ICAP and the quality of service provided to its members, students, and other stakeholders. IT department is leading this Project and we are very hopeful that implementation will be completed in one year.

**Data center development:** In the world of enterprise IT, data centers are designed to support business applications and activities. Now Infrastructure has shifted from traditional on-premises physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a

multi-cloud environment. IT as per its strategic goal, has revamped its data center into state of the art technology.

**AML Portal:** As a Self-Regulatory Body (SRB), the Institute is to prescribe regulatory and supervisory measures for the chartered accountants in practice to ensure compliance with the provisions and obligations specified under the AML Act. In this connection, the Institute developed a comprehensive portal and it has been deployed on our website in members' secured area. Due to its user-friendliness, the portal helped the members in complying with the requirements with strong monitoring by the Institute.

**Membership process automation:** As per the vision of e-ICAP, an automated process for new membership applications and FCA applications was introduced. It ensured systems to run smoothly and efficiently with almost zero errors.

**Studypack distribution automation:** Another step towards paperless environment, study pack request has been automated through its work flow, from inception of request to dispatch by courier.

**Digital competency assessment:** Digital competence is a challenge for SMPs and hence the Institute has developed a Digital Competence Assessment (DCA) survey to help SMPs self-evaluate their digital capabilities. This survey also helped the Institute to figure out its level of intervention.

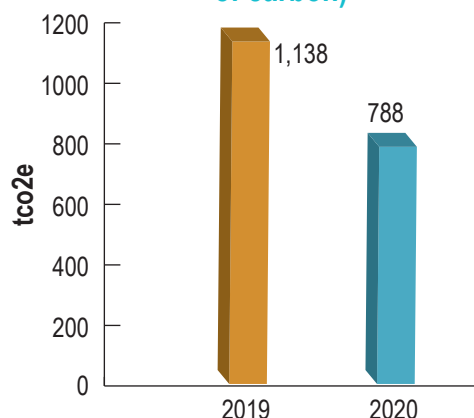
**Endowment Fund:** The process of application and approval of Students' Endowment Fund were automated.

**COVID-19 responses:** The Institute's website immediately became responsive for dissemination of information and announcement in times of crises and emergency. Stakeholders can browse COVID-19 response page to access latest updates relevant to members and students.

## 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 788 tonnes of carbon (tCO<sub>2</sub>e), a 31% decrease compared to 2019. This decrease was driven by decrease in emissions from flights and electricity consumption.

### Greenhouse gas emissions (tCO<sub>2</sub> - tonnes of carbon)



Itemised emissions		
(tCO <sub>2</sub> e)	2020	2019
Purchased electricity	475	547
Travel - flights	301	579
Paper consumption	12	12

### Performance Indicators

#### Governance and Management

- Signing of agreement for implementation of SAP ERP and SLCM
- Infrastructure shifted from physical to multi cloud environment
- Automation of various ERP modules including AML portal, new membership portal, study pack and endowment fund
- Implementation of Digital competence assessment (DCA) survey
- Development and deployment of web portals of I-Thrive and IIRU
- Improved satisfaction of web users
- Saving in travel cost due to optimum use of video and audio connectivity

## Promotion and Advocacy

### Value for members and other professionals

**ICAP Dubai office:** After concerted efforts, the Institute finally received its license to operate in the UAE as The Institute of Chartered Accountants of Pakistan (DMCC Branch). This landmark is another step towards taking the Institute's CA Qualification to new heights.

This initial setup will help the Institute in understanding the markets for the launch of CA Pakistan Qualification outside Pakistan in future. The scope of the establishment can be expanded from time to time to conduct activities such as marketing of CA Pakistan brand, facilitation to members, interacting with local bodies and achieve other objectives.

**Meet your representatives sessions:** As a part of Council's initiative to meet members of different cities, the institute organized 'Meet Your Representatives' session at ICAP Peshawar to brief members about the activities of the Institute and seek feedback and suggestions.

**Meet the President ICAP sessions:** The Overseas Coordination Committee in collaboration with the Australia and Qatar Chapter of ICAP Members organized

separate 'Meet the President' sessions on September 26, 2020 with ICAP Members in these countries. The members appreciated the efforts being taken to enhance the stature of the CA Qualification and landmark initiatives of the Institute.

On July 11, 2020 an online webinar having participation of ICAP members in Canada, President ICAP and Chairman OCC was also conducted. The Members shared their suggestions for reviving dialogue with CPA Canada to introduce reciprocal arrangements for ICAP members.

**Formation of Oman & South East Asia Coordination Committee of ICAP Members (Oman CCIM – SEA CCIM):** The Overseas Coordination Committee (OCC) of the Institute announced the formation of Coordination Committees of ICAP Members in Oman and South East Asia.

**CA Women's Day Celebrations 2020:** CA Women's Day was celebrated in Karachi, Islamabad and Lahore in line with the International Women's Day theme 'Each for Equal' in March 2020.

In recognition of the remarkable contribution made in the field of chartered accountancy, Ms. Bushra Naz Malik

received life time achievement award, Ms. Kiran Shahid was presented with student of the year award and Ms. Hina Sharukh received CA Women of the year award.

Shields were distributed to females achieving 25 years of membership with the Institute in all three locations. The services of female employees having the longest association with the Institute were also recognized.

**Vice President ICAP honored by KCCI women entrepreneur committee:** The Women Entrepreneur Committee of the KCCI honored the Vice President (ICAP), Hina Usmani, on becoming the first woman Vice President of the Institute.

**Women Directory 2020:** The directory was launched at Pakistan Stock Exchange Trading Hall on January 24, 2020.

The CA Women's Directory featured 350 CA Women profiles in one place, to showcase CA Women talent and encourage corporates to take professional women on their Boards.

The Chairperson of the CA Women's Committee presented the CA Women's Directory in a meeting with the Ministry of Finance and discussed gainful employability of CA Women on flexible/work from home basis.

**Newsletter:** The Newsletter, which keeps members, students and staff informed about various conferences, seminars, workshops and other events and activities, is uploaded on the website and is also printed for distribution. Tax update, international and local updates are new additions in the Technical section. Bits of human interests' info boxes and a separate Overseas section have been included in the Newsletter to make it more interesting and readable.

**Cooperation between SOCPA and ICAP:** In order to strengthen collaboration between ICAP and SOCPA for the professional development of members, both the bodies signed an MOU in February 2020. A concept of 'Contact persons of ICAP Members in KSA' was introduced for coordination with SOCPA.

**Events/Activities Organised by Overseas Chapters of ICAP Members:** Australia: 2, UAE: 7, Canada: 6, Bahrain: 11, Qatar: 2, UK: 2, USA CCIM: 1, Oman CCIM: 1, SEA CCIM: 1

**The Corporate Advisory Forum:** It is a focus group of business leaders which is being established to generate

ideas and provide strategic advice and recommendations to ICAP Council to keep the profession of chartered accountancy relevant and valuable for businesses and economy.

**Opportunity for ICAP Members based in Australia and New Zealand to become member of Chartered Accountants Australia and New Zealand (CA ANZ):** ICAP members based in Australia and New Zealand can become members of Chartered Accountants Australia and New Zealand (CA ANZ) after undertaking the CA ANZ International Pathway Program (IPP).

## Value for students

**Students' Endowment Fund:** The Institute assisted 619 CA students from less privileged segment of the society by giving financial support of Rs. 11.3 million.

**Edhi-CA Talent Scheme:** 194 full scholarships and 40 partial scholarships were provided to position holders of all higher secondary boards under Edhi-CA Talent Program. Total funds provided in support amounted to Rs.10.8 million.

**Pre-Induction Guidance Session of CAF Students:** A session was held for CAF qualified students prior to the induction in Karachi, Lahore, Faisalabad, and Islamabad. Students were guided regarding induction in firms by seasoned professionals from practice and corporate sector.

**Panel Talk with LUMS Students:** To increase the engagement of the Institute with Lahore University of Management Sciences (LUMS) and to attract their graduates to join Chartered Accountancy, a Panel Talk was arranged with the students of B. Sc. ACF and other Business & Finance related students at LUMS.

**ICAP conducts open house session:** The Institute also conducted Open House sessions for multiple stakeholders and potential students to increase the outreach. These open house sessions for awareness were conducted for the students of commerce background from Punjab College, Hailey College, and different students affiliated with Aga Khan Education Board as well as for potential students at ICAP regional offices and stations. Students were informed about scope of CA qualification, international recognition of CA profession, the Institute's association with international bodies, stream of CA qualification, entry routes,

exemptions, eligibility criteria, examination system of ICAP, scope of CA training and market opportunities for CAs all over the world.

**School engagement and outreach:** MARCOM participated in University symposium organized by City School. Students from leading schools also participated in the symposium. In addition, Help Desk for the Aga Khan Higher Secondary School students was set up to answer their students' CA related queries. ICAP also participated in Cedar Career Fair and Generations School GET FAIR 2019.

**Student counselling:** CA Webcast sessions were organized at multiple occasions during the year for HSSC, A levels and under graduate students. These sessions helped answering students' questions focused around online registration process, eligibility criteria, fee structure, international recognition and scholarships available. These sessions were conducted in three episodes from Karachi, Lahore and Islamabad Offices. In addition, career counselling sessions were conducted with Cedar College & IBA in Karachi, Beaconhouse Islamabad and LUMS, Lahore.

**Student outreach through education Expo:** ICAP Hyderabad and Lahore Office Attended 'EDU Clan 2020' and Dunya Education Expo respectively. Students of different colleges and universities visited the stall and they were briefed about chartered accountancy qualification, eligibility criteria, CA Talent program, training, etc.

## Serving the public interest and thought leadership

**Contribution in fiscal laws and policies:** The Chairman of ICAP Committee on Fiscal Laws, Mr. Muhammad Awais, along with the members of Coordination Task Force discussed key recommendations for federal and provincial budget 2020-21 with the FBR Member, Inland revenue (IR) Policy through video conferencing.

**ICAP Budget proposals 2020-21:** The Institute submitted its recommendations for the Federal and Provincial Budgets 2020-21 to the Government with the objective to assist government, build an innovative and responsive taxation system, broaden

the tax culture, improve revenue collections, increase tax payers' confidence, ensure voluntary tax compliance, and improve monitoring that eventually lead towards an all-inclusive, sustained economic growth.

**Development of iXBRL taxonomy:** The Institute has been co-ordinating with SECP on the project of digital financial reporting in Pakistan and has taken the initiative of developing iXBRL taxonomy. During the year, substantial progress has been made on the XBRL project by developing the IFRS based XBRL taxonomy and engaging of an XBRL international approved vendor for the development of iXBRL taxonomy.

### Working with SECP:

- On ICAP's Recommendation, SECP granted temporary relaxation to companies from IFRS 9 and IAS 39 requirements.
- Engaged with SECP for the development of IFRS 9 implementation guidance for NBFCs and alignment of the NBFC regulations.
- Engaged with SECP on the project of elimination of departures from IFRS and alignment of Pakistan financial reporting regime with IFRS.
- Comments were shared with SECP on the following matters:
  - Guide Book on Corporate Governance and FAQs under the Listed Companies (Code of Corporate Governance) Regulations, 2019.
  - Checklist on the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
  - Maintenance of Cost Accounting Records and Cost Audit.
- Following report formats were developed and issued by the technical services team of the Institute in consultation with the SECP:
  - Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019.
  - Format of Review Report on the Statement of Net Capital Balance and Liquid Capital.
  - Audit report format of Mutual Funds as per ISA 700 (Revised) (ICAP's draft has been approved by SECP, pending for notification).

### Working with State Bank of Pakistan:

- Shared with SBP detailed comments on draft IFRS 9 Application Instructions for banks.



- Offered assistance to SBP in aligning the financial statements of banks with IFRS 9 and IFRS 7 requirements.

**Working with Auditor General of Pakistan (AGP):** The Institute continued its engagement with the Auditor General of Pakistan (AGP) for the advocacy and implementation of accrual based accounting in Pakistan.

#### **Best Corporate and Sustainability Report Awards 2019:**

The Institute organizes Best Corporate and Sustainability Report Awards jointly with Institute of Cost and Management Accountants of Pakistan (ICMAP) every year. This year, due to COVID- 19, the announcement of the winners of the Best Corporate and Sustainability Report 2019 Awards were made through newspaper supplement. More than 60 companies won awards and merit certificates from the 13 sectors. From amongst the BCR winners, nominations have been sent for SAFA Best Presented Awards 2019 competition.

**Best Corporate Report Evaluation Criteria 2020:** The Evaluation Committee (a subcommittee of the Joint Committee of ICAP and ICMAP) revised the Evaluation Criteria for Best Corporate Report Award 2020. The aims of revising Evaluation Criteria were to promote a cohesive approach to corporate reporting to improve the quality of information available to the stakeholders, to enable effective decision making, to enhance the quality of 'Governance Reporting' in Pakistan in line with global best practices and also to promote integrated thinking within the organization considering both financial and non-financial information.

**SAFA Best Presented Awards 2018:** Pakistani companies who won the Best Corporate Report and Sustainability Report Awards 2018, were nominated for the SAFA Best Presented Awards 2018 competition by the Evaluation Committee. The SAFA Best Presented Awards 2018 ceremony was held on November 30, 2019 in Dhaka, Bangladesh. Two Pakistani companies won awards in Manufacturing and NPO sector, whereas, sixteen Pakistani companies qualified for Merit Certificates in their respective categories.

**Our global impact:** The Institute is an active supporter and participant on global forums, such as, International Federation of Accountants (IFAC), International

Accounting Standards Board (IASB), South Asian Federation of Accountants (SAFA), Confederation of Asian and Pacific Accountants (CAPA), CA Worldwide (CAW), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Asian-Oceanian Standard-Setters Group (AOSSG).

#### **Performance Indicators**

##### **Promotion and Advocacy**

- Endowment Fund has enabled 138 students to complete their journey and join as members till the end of 2019-20.
- Under Edhi-CA Talent Program, 96 students have reached the final stage of the qualification and 2 students qualified as ICAP members this year.
- Out of a total 1626 (2018: 1889) students who passed CAF stage in Spring and Autumn 2019 attempts, 1370 (2018: 1808) were inducted in TOs.
- 51 TOs which had been visited to date acknowledged and responded to observation / visit report of ICAP team.
- The webinars were reached to wider range of audience through social media.
- Extended reach of the Institute outside Pakistan.
- Improved relationship of the Institute with foreign professional bodies.
- Recognition of high quality reporting of Pakistani corporations at international forums through the Institute.
- Consistent government advisory and support.
- A large number of students visited ICAP regional and head offices along with their teachers and counsellors.
- Around 5000 students of Tando Muhammad Khan, Badin, Tando Allah Yar and Mirpurkhas districts were counseled in an exhibition.
- More than 200 students and career counselors of various institutions attended career counselling sessions organized by the Institute.
- Members of 06 Overseas Chapters and 02 coordination committees are connected through WhatsApp groups.



# 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 SECP, the FBR, the SBP, Auditor General of Pakistan Office, PSX 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 Mohammad Shabbir Kasbati, in their capacity as the auditors of the Institute.
- gratefully acknowledge the active role played by Audit Committee, Quality Assurance Board, AML Supervisory Board and Benevolent Fund Management Committee in their respective areas.
- acknowledge the contributions made by the respective Regional Committees and Managing Committees of Overseas Chapters of ICAP Members 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.

**Khalilullah Shaikh, FCA**

President, The Institute of Chartered Accountants of Pakistan

Karachi, October 18, 2020



# **REPORTS OF BOARDS & COMMITTEES**

# Accounting Standards Board

It has been another significant year for the Accounting Standards Board.

We made substantial progress on our key projects, despite the fact that second half of the reporting period was marred by the COVID-19 health crisis and related events. Our efforts were directed towards providing extensive guidance and implementation support to preparers of financial statements in COVID-19 situation. We also moved forward on our key initiatives and made a significant progress over the year. Our initiatives and implementation support were welcomed by the stakeholders.

We developed our two (2) years Work Plan and worked extensively in meeting our objectives and priorities. I am pleased to share a summary of the actions and initiatives of the Board for the year 2019-2020. A more complete summary of how we have achieved each of our high-level priorities designed to address the Board's strategy & outcomes is contained separately in this report.

## 2019-2020 at a glance

### IFRS adoption and alignment

The Board continued with its efforts to align Pakistan financial reporting with IFRSs, and during the year we recommended the adoption of IFRS 17, Insurance Contracts.

Pakistan has now adopted all effective IFRS Standards except IFRS 1 First-time Adoption of International Financial Reporting Standards. For the adoption of IFRS 1 and aligning Pakistan financial reporting with IFRSs, we also initiated the project of elimination of departures from IFRSs. We developed and shared a comprehensive document on the current departures from IFRSs. We look forward to collaborate and engage with SECP and SBP on this important project in the coming year.

### Digital financial reporting in Pakistan

After submission of our detailed report on Digital Financial Reporting in Pakistan to SECP, we made substantial progress on this project, during the year.

ICAP allocated resources for the development of iXBRL taxonomy and engaged Fujitsu, one of the largest IT services provider for the development of taxonomy. The engagement and coordination of our technical services team with SECP continued on a regular basis, providing required input and understanding about mutual expectations, sharing the mapped taxonomy and updating on the status of the project. We expect to complete phase one of the iXBRL taxonomy development project by end of October.

### Implementation support

In this year, our technical services team put in a lot of efforts in the development of guidances and publications on important and emerging accounting and financial reporting matters.

In the wake of COVID-19 situation the Board directed its efforts in facilitating preparers of financial statements and other stakeholders by issuing a comprehensive financial reporting guidance. We also responded to various emerging issues due to COVID-19 circumstances.

An important development was finalization and issuance of draft technical release on the Business Combinations under Common Control.

Another major publication of our team was on the adoption and application of IFRSs in Pakistan which provided a comprehensive outlook of Pakistan financial reporting regime. Our team also worked on the development of illustrative financial statements project and we look forward to issue these publications in August.

Our IFRS 9 support initiatives are aimed to facilitate in the effective implementation of IFRS 9 in 2021. We contributed on the IFRS 9 implementation support material of SBP by sharing our detailed comments on the draft IFRS 9 Application Instructions. We also engaged our efforts in providing implementation support to the NBFCs, as our Technical Services team started the development of IFRS implementation guidance for NBFCs and also alignment of the NBFC regulations with IFRS 9 requirements.

During the year, we also responded to SECP requests on the matters relating to the exemption/ deferment from IFRS 16 for Insurance companies, and IFRS 9 for NBFC's. We also shared our decision of allowing temporary relief to companies from IFRS 9 and IAS 39 due to significant downfall in capital markets due to unexpected and uncertain events of March 2020, related to COVID-19.

We expect that our publications and recommendations would facilitate all stakeholders of accounting ecosystem.

### Advocacy of IPSAS and engagement with the public sector stakeholders

The Board continued its engagement with the Auditor General of Pakistan (AGP) for the advocacy and implementation of accrual based accounting in Pakistan. We benefited from the presence of AGP representative on the Board, and look forward to assist AGP and other stakeholders on this significant and national-level project.

### Revision of accounting Technical Releases

On the directions of the Board, our technical services team commenced a comprehensive review of the accounting Technical Releases. During this exercise, our team also engaged with the IFRIC staff. We have made a substantial progress on the project by outlining a new structure and drafting convention for the Technical Releases, identifying the Technical Releases that require withdrawal and aligning the existing Technical Releases in accordance with the new structure and drafting convention.

### Accounting of Islamic mode transactions in Pakistan

Our efforts on this project continued throughout the year. We engaged AAOIFI and invited its Secretary General to the Board meeting, who made a detailed presentation on the Islamic financial accounting projects and standard-setting approach of AAOIFI. Our team continued its efforts in developing a comprehensive and holistic document detailing not only the features of all the significant Islamic products but also outlining application of IFRSs on these products.

### International collaboration and coordination

In addition to advancing the projects, we offered our input to IASB and also engaged with IASB and IFRIC on Pakistan specific accounting matters.

During the year, we also participated in the Belt and Road Initiative Accounting Forum, China.

Our accounting publication for preparers of financial statements in COVID-19 situation was shared with IFAC and various other regional bodies. This publication is available on IFAC website as a COVID-19 resources from IFAC's Network

### Looking towards 2021

In the next year, our key priorities will be focused on completing the IFRS taxonomy project, progressing towards aligning Pakistan financial reporting framework with IFRSs, finalizing the Islamic accounting project and issuing guidance and consultation documents on a timely basis. We will also commence work on the retirement fund accounting and extractive industries.

We will continue to support the implementation of IFRSs and other accounting standards in Pakistan by responding to stakeholder requests for guidance. We will also seek to expand the range of stakeholders involved in our collaboration and consultation.

On the international front, we will continue our engagement with IASB. We expect a busy schedule for the next year as IASB plans to issue two exposure drafts, namely Management Commentary and Rate-regulated Activities, and four discussion papers or related documents. These are the 2019 Comprehensive Review of the IFRS for SMEs Standard, Goodwill and Impairment, Business Combinations under Common Control, and Dynamic Risk Management.

We have a full agenda in 2020-2021 and we are looking forward to continuing our work in the public interest, ensuring that the stakeholders are provided with a transparent and independent advice, and resultantly principle-based accounting standards are consistently and effectively applied in Pakistan.

### Our people

Our people continue to be critical to our success. We are continuing to build our core team of Technical Services department. In this respect, we invested time and effort in recruiting and building a team of professional staff who will further strengthen our team and provide professional support to the Board.

### Thank you

I would like to thank my fellow Board members, Advisory Group members, Working Groups members, and Technical services staff for their efforts in helping the Board achieve its objectives.

Further, I would like to express my special appreciation for the contribution made by Dr. Farrukh Iqbal, Ex-Dean Institute of Business Administration, during his term of appointment on the Board. Our achievements would not be possible without the insights and engagement with our stakeholders and on behalf of the Board, I wish to place on record appreciation for their effective contribution and trust.

**Farrukh Rehman, FCA**

Chairman Accounting Standards Board



## Quality Assurance Board

It gives me immense pleasure to present the report of the Quality Assurance Board (QAB) for the year 2020.

The advent of year 2020, has put the entire world at the war against a pandemic. The unprecedented COVID-19 had impacted every facet of life be it social, psychological or economical. Our world is faced with serious economic crises among other things. Business and trade have suffered losses, the magnitude of which may not be easily ascertained. It will take some time to recover from this and that too may not be sufficient.

Though virtual meetings of the QAB were held during the pandemic, Quality Control Reviews (QCRs) of many firms which fell due during this period had to be postponed. Keeping in view these extremely rare circumstances, certain recommendations were made to the Council by the QAB primarily seeking extension in the time period to conclude the pending QCRs. A policy decision has been conveyed by the Council.

QCRs are focused on improving standards of audit quality to ensure highest standards within the profession, necessary for public and investor confidence in the services being provided by Chartered Accountant firms. As we progress to achieve this objective, we are taking steps to forge stronger relationships with our stakeholders and ensuring that their views are listened to during the transformation process through an integrated communications and stakeholder management strategy.

This year witnessed increased collaboration of the Institute with the Audit Oversight Board (AOB). The QAB has formed a Committee to streamline the underlying processes for the adequate and effective implementation of the QCR Framework, 2019. This Committee successfully accomplished the revision of checklists used in QCRs of the practicing firms which is one of the steps for further improving the QCR documentation of engagement reviews.

Throughout the year, QAB provided Quality Assurance Department (QAD) guidance aimed at continuously improving the quality of audit and assurance services in Pakistan.

It would not be out of place to mention, that there is visible improvement in the quality of audits from the time that the QCR programme was rolled out by the Institute, yet bearing in mind that quality is a continuous iterative process, there still are some areas of audit which require improvement and are contained in a separate and more detailed report of the QAB. The audit firms will need to make concerted efforts to address these matters on a continuous basis.

### QCR of Audit Engagements

During the period under review, QCRs of 64 (2019: 22) audit firms were concluded. This necessitated a review of 279 (2019: 68) statutory audit engagements at 102 (2019: 33) locations spread over Karachi, Lahore, Islamabad, Peshawar, Faisalabad, Multan and Sialkot. Out of the 64 audit firms whose QCRs were completed during the year, the QCR rating of 60 firms were considered as 'satisfactory' while the remaining 4 were concluded as 'unsatisfactory'. Included in the above were 12 firms which were not previously on the 'list of firms having satisfactory QCR rating'. Out of these, 8 firms were concluded as 'satisfactory', while the remaining 4 firms was concluded as 'unsatisfactory'.

The documentation in respect of the 'System of Quality Control' prevalent in the audit firms was also reviewed as part of the review process.

As of June 30, 2020, the number of audit firms in the list of firms with 'satisfactory QCR rating' was 128 (2019: 122).

### Acknowledgement

On behalf of the Board, I would like to extend my gratitude to all those firms and their staff who cooperated with our reviewers during the QCR process. I also appreciate the support extended by the QAD to the QAB for effective discharge of its responsibilities.

**Farid ud Din Ahmad, FCA**

Chairman Quality Assurance Board

## Digital Assurance and Accounting Board

The Digital Assurance and Accounting Board (DAAB) was established by the Council in 2018 with the objective to serve the public interest by contributing policy recommendations and providing support towards embedding technology based solutions in accounting, assurance and other businesses.

The Board has representation from all relevant stakeholders including accountants in profession, industry, academia, IT/Digitalization experts both from public and private sectors. Presently, the Board has 22 members including the Secretariat of the Board. The Board has formed following working groups to ensure smooth and effective working:

- a. Working Group for 'Building a Digital Knowledge Base'
- b. Digital Technology Working Group
- c. Digital Accounting & Reporting Working Group
- d. Audit and Assurance Digitalization Working Group
- e. Public Sector: Digital Transformation Working Group

The Board has accorded the necessary approval in its meeting held on July 07, 2020 for organizing various webinars, IT showcasing events, seminars, and conferences to educate the entire CA fraternity across the globe. The Board has also planned to organize junctures between technology providers and SMPs to save them from expected ostracism from the fraternity. Accordingly, the Board has kicked-off a series of activities including **'Webinar Series'** with one of the most critical challenges of revolutionizing conventional audit into digital audit. The series of webinars is focusing on the rapid technological transformation which is taking place all over the world, including Pakistan. Profession of Audit and Assurance is also in its evolutionary phase of digitalization through automation and innovation.

The first webinar of the series titled 'Digital Audit Evolution: Shaping the next generation of auditors' which covered the global, regional, and local perspectives was organized on July 16, 2020. Global, regional, and local experts of skilled caliber shared their knowledge, expertise, experiences, lead the discussions and provided the viewers with their sagacious discernments for Digital Audit Evolution for the next generation. The series will continue and the Board is committed to organize/hold various such dissemination activities in the days to come.

This age of swift technological disruption is expected to completely change the future outlook of accountancy, audit and assurance profession. It will stipulate a dire need of embarking upon the digitalization by deep-diving into the best strategies for advance understanding and exposure on the technological innovations and upskilling our next generation of accountants & auditors to improve quality and efficiency in a new and radical way. Sensing the pulse with an upbeat mindset, the working groups are planning their projects to pave the pathway towards incubating sustainable digital ecosystem for the profession of accountancy, audit and assurance.

We at the Board, certainly look forward to valuable feedback, suggestions and contribution from our members to take this journey of digitalization of our profession on a fast track while remaining focused on our objectives and goals.

**Rana M. Usman Khan, FCA**

Chairman Digital Assurance and Accounting Board

# Audit Committee

Audit Committee is pleased to present this report for the financial year ended June 30, 2020.

The Audit Committee is delegated with authority from the Council to provide independent oversight of the Institute's financial reporting, effectiveness of the system of internal controls, risk management and internal / 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 assists the Council in fulfilling its oversight responsibilities in respect of:

- Integrity of financial statements;
- Risk management & internal controls system;
- Compliance with legal & regulatory requirements including Council Directives;
- The performance, qualifications & independence of External Auditors; and
- The performance of the Internal Audit function.

The Audit Committee has regulated its affairs and discharged its responsibilities as per its Terms of Reference (TOR).

The Committee met six times during the year. Summary reports of its proceedings and activities were submitted to the Council. The meetings of Audit Committee were attended by Head of Internal Audit, who also acts as the Secretary of the Audit Committee, while other executives of the Institute and external auditors also attended when required by invitation. The internal and external auditors have unrestricted access to the Audit Committee throughout the year.

A summary of key tasks undertaken by the Audit Committee during the year is as follows:

## i) Internal Control and Risk Management

The Audit Committee reviewed various functions of the Institute and stressed the need for development of more stringent internal controls and Standard Operating Procedures (SOPs) in certain areas.

In order to assess the significance of risk in context of materiality aspects, a detailed Materiality Matrix was developed and is in the process of further improvement. This Matrix assigns tentative risk ratings to various activities and functions taking into account the priorities affecting the Institute's business activities and stakeholders' preferences.

Development of an effective Business Continuity Plan (BCP) has been one of the key recommendations of the Audit Committee. During the year, the Audit Committee reviewed the interim reports and progress on BCP and provided its input to the management enabling it to develop a comprehensive plan covering all scenarios and business functions of the Institute.

Internal audit reports on various assignments were reviewed and approved by the Audit Committee and meetings with the senior management were held to discuss related issues.

## ii) Review of Financial Statements of the Institute

The Audit Committee reviewed the interim and annual financial statements of the Institute during the year and discussed the same with the management and external auditors. Key issues and areas of concerns were identified and brought to the attention of the Council for appropriate resolution.

The Audit Committee believes that the annual financial statements for the year ended June 30, 2020 have been presented fairly in compliance with the applicable regulations and accounting standards. Therefore, the Committee recommended the annual financial statements for approval to the Council.

### iii) External Audit

The Audit Committee met with the External Auditors and discussed the financial statements of the Institute including key issues, risk areas and implementation of the Audit Plan. Discussion on significant transactions and judgement areas relating to the year was also held with the external auditors.

The Committee has considered the performance of external auditors as per various attributes and in light of provisions of Bye Law 127 of the Chartered Accountants Bye Laws, 1983, the Committee decided to recommend to the Council the re-appointment of Mr. Muhammad Shabbir Kasbati and Syed Aftab Hameed as external auditors of the Institute for the year ending June 30, 2021 along with an increase in audit fee of 10% from the last year.

### iv) Whistle Blowing Policy

One of the functions of the Audit Committee is to monitor the effectiveness and compliance of the whistle blowing policy of the Institute. During the year, the Committee reviewed the existing policy and decided to recommend few changes considering the best practices. In order to make the policy more independent of management, the Committee recommended following key changes in the policy:

- Addressing the reports of outcome of complaints to the Chair Audit Committee instead of Secretary of the Institute.
- Enhance the scope of the policy to include suppliers, contractors and members of the Institute.
- In order to discourage the practice of anonymous complaints, consider only those complaints in consultation with the Chair Audit Committee, which indicate a very significant concern or problem.

### v) Revision in Terms of Reference (TORs)

The Audit Committee reviewed the existing TORs and it was considered necessary to update the same in light of the best practices. Accordingly, the existing TORs were revised including changes primarily in respect of the following:

- a) 'Roles and Responsibilities' section of the TORs has been made more comprehensive with necessary details.
- b) A separate section of 'Mandate & Authority' was inserted in the TORs for more clearly spelling out the authority of the Audit Committee.
- c) In order to ensure more effective engagement of the Audit Committee with the Council, provisions were inserted in the TORs whereby the Committee Chairman would issue a report to the Council on proceedings of the Committee on half yearly basis and also brief the Council in person on key issues once in a year.
- d) In addition to the above, as per the revised TORs, the Chairman of the Committee would meet the President of the Institute annually to discuss related issues and areas of significance.

### vi) Meeting of Chairman Audit Committee with President ICAP

In order to ensure effective engagement and communicate key issues, the Chairman Audit Committee met with the President in July, 2020. During the meeting, various issues were discussed and brought to the personal attention of the President.

The Audit Committee takes this opportunity to place on record its gratitude to the Council and Institute's officials for supporting the Committee in effectively discharging its responsibilities.

**Naeem Akhtar Sheikh, FCA**

Chairman Audit Committee

# Northern Regional Committee

I am pleased to present annual report of Northern Regional Committee (NRC) for the year ended June 30, 2020.

## COVID-19 Pandemic

The emergence of COVID-19 has caused major disruptions to the economic activity around the world including Pakistan. Coronavirus is not just a world health emergency; it is an economic one too. The economic impacts were plain to see and emergency provisions were being made worldwide in an attempt to support individuals, business and the professional accountants supporting them. Our members in Industry as well as in practice were also faced multiple challenges during these difficult times.

For many of us, this was a period of uncertainty as we were moving towards what was becoming known as the new normal. Your NRC, with the approach to extend every possible support to our members through this period, deliberated the situation times and again, made representations at relevant forums and shifted physical CPD activities to online webinars.

## Continuing Professional Development

Continuing Professional Development (CPD) program strives to provide highest quality of professional development opportunities to meet the rapidly evolving CPD needs of our members. Whilst planning for professional development, we strived to ensure that a diverse range of topics are carried out from the NRC platform.

In view of the COVID-19 situation, all physical CPD activities have come to a halt. To abreast the members about the challenges and opportunities under the changing business environment, several webinars have been arranged by the NRC. These webinars attracted a larger than expected responses from members as well as other finance professionals and business leaders. Thousands of participants viewed the numerous webinars through digital platform. Considering the ever increasing responsive expectations from professional accountants, your NRC planned an exclusive webinar on 'Potential Impact of COVID-19 on the Profession and Way Forward' with renowned professionals of our fraternity from Industry and Practice.

This year, we organized various seminars and workshops addressing vast topics of professional interest. Some out of the box themes were introduced this year including Portfolio & Treasury Management in changing Economic Environment, Professional Development Activities for new members, Awareness Session on Controlled Foreign Company, Internal Audit in Today's Corporate Environment, how a CFO should plan year 2020, provisions Inserted through tax laws (second Amendment) Ordinance, 2019 and on withholding taxes, IFRS 16 - Leases. To provide opportunities to members in remote areas, your NRC has also live telecasted various physical CPD activities through video conferencing to Multan, Faisalabad, Islamabad, Gujranwala and Peshawar.

## E-Learning Platform

Considering inconveniences to attend physical CPD activities, such as long traveling, car parking hassle, traffic issues at peak times and time constraint are being faced by our members and to facilitate members working at remote locations or who do not find sufficient time to physically attend the required CPD sessions, your NRC provided the E-Learning platform, which enables ICAP members to directly login to the event from their convenient place without the hassle, just by using a computer and an internet connection.

Various CPD programs were held through E-Learning Platform including Self-Reflection on your professional career during lockdown, Neuro-agility A construct to future proof your career, Transforming Understanding into Doing, Excellent Leader as an Ethical Servant, Avoiding Death By PowerPoint Preparing for Success in Presentations, Speeches, Meetings and Conferences, what we learned from the revolution in performance management, Spiritual Transformation In Business, Organizational knowledge learning and capabilities, how can I get all this "stuff" done!! Time & Organizational Skills Workshop to across the Pakistan.

## Gold Medal and Certificate Distribution Ceremony

Keeping alive the tradition of honoring its most illustrious and bright students, we organized Gold Medal and Certificate Distribution Ceremony in September 2019 at Lahore to honor the freshly qualified batch of chartered accountants. The ceremony honored high achievers of the year 2018-19. More than 130 newly inducted members from Lahore, Multan, Gujranwala, Sialkot, Faisalabad, Peshawar and connecting cities were conferred with their certificates. The event was attended by more than 400 people including parents, senior chartered accountants, media personnel and dignitaries from different walk of life. The certificates and gold medals were distributed by the president, vice president, past president, regional and council members.

Second ceremony planned in April 2020 was postponed due to outbreak of COVID-19.



### Professional Development Activities - Skills That Matter With Competence

Your NRC also had the privilege of hosting workshops for fresh members' development and grooming, focusing those areas which conventionally take lesser priority of professional accountants including soft skills, dressing, interview handling, CV writing, practice management, career counselling discussions as either to pursue practice or a job and which sector / specialty to stretch wings in. It was an interactive session to engage the members as well as to benefit from a large pool of wisdom. President ICAP, council Members & NRC Members attended the session in Lahore. The session also provided an opportunity to the council to receive invaluable insight from the members and use the information to deliberate on matters of professional interest.

An awareness session on Road Safety & Traffic Rules was also organised where representative from City Traffic Police Lahore shared road safety tips and stressed on the importance of obeying traffic rules.

### Recreational Activities; Our Families Our Souls

To provide social and recreational opportunities to the members and their families, we organized family get-to-gathers. To bring our families and professional fraternity more close, your NRC had the pleasure to go all out in facilitating local committees in arranging classic get together at Faisalabad, Peshawar, Islamabad, Multan, Lahore and Gujranwala. Cricket tournament was also held at Multan.

All the events were marked with great family time, wide range location based activities including Magic Show, Puppet Show, Face painting, Tall-Man, Cartoon Characters, Jumping Castle, Musical Chair and Quiz competition and sumptuous buffet dinners and lunch's, delightful socializing and networking opportunities for members & their families.

### Libraries

Libraries play a vital role in educational and research process. Gaining Access to information and knowledge are fundamental for education purposes and for improving the quality of life of people living in different regions. We managed and operated eight libraries in various cities of the country in order to cater needs of the members and the students in the academic area.

### Chartered Accountants Students' Association – North

With a firm commitment to hand holding of upcoming professionals and students, your NRC strongly believes in investing on our students. We have extended all possible support to the management of Chartered Accountants Students' Association – North (CASA-N) in arranging various academic and sports events at multiple locations.

### NRC Finances

The financial results of your NRC clearly reflect that how much centric our members have been in our thoughts and activities. Whilst the year on year allocation from central pool remained same per member but we managed to support our members substantially through generosity of our sponsors; who believed in our cause.

### Condolence

I would like to offer condolence to families of our members who left us during the year and to our members who lost their loved ones during the year.

### Acknowledgement

I would like to express my sincere gratitude to all the members, in general; and, those who served on various committees, in particular, for their extended support, dedication and help in carrying out informative, engaging and diverse activities throughout the year. CASA-N Management Committee, CPD, Library Committees of all cities in North and NRC dedicated resources merit to have my special thanks, who have all helped us to hold high the flag of our Institute.

My fellow NRC members including Mr. Shahid Iqbal Khattak, FCA (Secretary NRC); Mr. JehanZeb Amin, FCA; Mr. Ali Saif Cheema, FCA; Mr. Farooq Hameed, FCA; and Mr. Asad Feroz, FCA travelled all the way to reach out to all the stakeholders and lived the spirit of NRC.

I would like to extend my gratitude for the support extended by ICAP President, Vice Presidents, Council Members and ICAP & NRC staff.

For and on behalf of the Committee

**Rafqat Hussain, FCA**

Chairman Northern Regional Committee

## Southern Regional Committee

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

The COVID-19 emergence in the later part of the year 2019-20 impacted our lifestyles and socio-economic environment immensely and accordingly the professional development events of ICAP were shifted to video-conferencing platforms due to which the financial results of the SRC for the year were affected.

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

### CPD Activities

This year, SRC organised 28 seminars, workshops and webinars spread over 118 CPD Hours, covering topics such as Accounting, International Financial Reporting Standards (IFRS), Strategy, Microsoft Excel, Communication, Economy, Code of Ethics and Taxation. The programmes were attended primarily by members and also non-members.

### Social Events

The Annual Dinner and Ghazal Evening were organised comprising of performance by renowned musical artist which was well received by the members and their spouses. The event was attended by a vast audience; ranging from senior professionals to the recently qualified chartered accountants. A Family Fun Fest get together was organised as per tradition in January 2020 at Chunky Monkey. In addition, blood donation drive was also arranged in collaboration with Indus Hospital in which members, students and employees enthusiastically volunteered.

### Members' Convocation Ceremony

The bi- annual Members' Convocation Ceremony for the newly qualified Chartered Accountants is also organised under the aegis of the SRC.

The theme selected for the ceremony was 'Live Your Dreams, Achieve Your Goals' in September 2019. Another such ceremony is due which will be organized at suitable time considering the COVID-19 situation and ICAP's policy.

### CASA – South

The SRC also oversees the affairs of the CASA-S and the library. A role of 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 conducted for the finalists to provide them with an opportunity for better revision and examination techniques. CA Students' Conference 2019 was also organised with the theme "Navigate: Master the Chaos" which was attended by a record of 300 plus students. Furthermore, visit to Dar-ul-Sukun was also arranged followed by e-sports tournament.

### Finance and Accounts

The financial statements reflect a deficit of Rs. 3.71 million for the current year. During the year Rs. 3.54 million was received from ICAP on account of Members' subscription fee and Rs. 10.80 million from members for CPD activities. Rs. 10.74 million was spent on CPD activities and Rs. 4.38 million on social events. Furthermore, Rs. 2.54 million was used in organising CA Students' Conference, Rs. 1.99 million in library operations and Rs. 3.05 million in administrative expenses. From last year onwards the investment of the SRC of PKR 20.50 million has been transferred to ICAP and will be managed on the behalf of the SRC; however, the beneficiary of the investment will still be SRC.

### Acknowledgement

On behalf of SRC, I would like to thank the President ICAP, Vice President - South ICAP, Council Members and Fellow Members for their guidance, support and patronage.

We are also thankful to the ICAP Secretary and his entire team as well as all staff members working at the SRC office for the support provided by them throughout the year.

### Arslan Khalid, FCA

Chairman Southern Regional Committee

## Benevolent Fund Management Committee

The Institute of Chartered Accountants of Pakistan (ICAP) Benevolent Fund (The Fund) 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 with the approval of Council of the Institute. The Chairman of the Committee is nominated by the Council each year. The Fund was established in 1972 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.

**Financial Assistance:** During the year under report, the Fund extended financial assistance of Rs. 27.04 million to thirty-two families including 5 living members. Financial assistance of the preceding year amounted to Rs. 23.15 million provided to thirty-one families including 6 living members. Average monthly assistance per family amounted to Rs. 70,000 during the year under report in comparison to Rs. 62,000 per family per month in the preceding year.

**Group Term Life Insurance Scheme:** The scheme provides term life insurance/takaful cover in case of loss of life and additional cover equal to sum insured (double the sum insured) in case death occurs due to an accident or act of terrorism. Coverage of permanent disablement due to sickness or accident is also provided to the participants up to the age of 60 years. There is no requirement of medical examination up to the age of 64 years. Members of 65-69 years' age group may also be considered for coverage subject to satisfactory underwriting after assessment of health questionnaire and (or) medical examination. Coverage is available under conventional as well as sharia compliant window takaful arrangement providing 'Family Takaful' facility based on 'Wakalah-Waqf' model.

During the term under report, 322 participants (including 305 members, 10 spouses and 7 employees) joined the scheme. 308 participants (including 291 members, 10 spouses and 7 employees) got enrolled in the policy during the preceding term. One claim of Rs. 2 million were reported and paid by the insurers during the preceding term.

The Committee negotiated life insurance scheme for the term 2020-21 with Askari Life Assurance Company Limited for members and their spouses. Coverage is available under conventional as well as takaful mode. Participation in the scheme is not compulsory, however, members are encouraged to obtain the cover along with their spouses for protection of their family in case of unexpected events.

Member's age	Conventional (Sum insured per Rs.1000/-)	Takaful (Sum insured per Rs.1000/-)
Age upto 59	2.94	3.05
60-65	2.50	2.60
66-69	21.00	20.00

**Group Health Care Scheme:** Health insurance scheme provides hospitalization benefit, coverage of day-care treatments and specialized investigations. The policy also provides maternity benefit, upon option being exercised.

Net enrollment in the scheme at the close of financial year was recorded at 1,356 participants as compared to 1,691 persons enrolled during the previous term. Claims in excess of Rs. 25 million were settled by the insurers against overall premium of Rs. 16.6 million as compared to claims and premium of Rs. 23.68 million and Rs. 19.70 million respectively in the preceding year.

The policy for 2020-21 has been renewed with TPL Life Insurance Ltd. for offering the lowest premium and comparatively better terms in conventional mode. Details of renewed policy were circulated to members through email and may also be viewed/downloaded from the website of the Institute by following the aforementioned link.

Details of renewed policy were circulated to members and are also available at the website of the Institute  
<https://www.icap.pk/members/membership-benefits/members-privileges>

### Future Outlook

Funds raised through members' subscription annually are not sufficient to cater for the ever growing needs of the families considering the increase in number of beneficiaries over the years and the impact of inflation. A large portion of income from investments, which ideally should be reinvested to augment the capacity of the Fund, is consumed to meet the deficit. Due to financial constraints it has been difficult for the Committee to provide the families with level of assistance that they really deserve. Presently, the scope of extending financial assistance has been kept strictly limited to members and their immediate families i.e. spouses and children. Due to recent past, the committee has come across un-employment cases of members due to Covid-19, however, due to limitations of the rules of the fund with respect to scope and definition, could not provide any financial relief to those cases.

### Fund Raising

The committee has been exploring ways to strengthen the Fund's ability to reach out and help the families to the maximum possible extent. Managing partners of CA firms had been requested to contribute Rs. 1 lac per partner from the firm. The Committee thankfully acknowledges the contributions received from partners of the firms and members.

### Acknowledgements

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

I, would also like to place on record the continued dedicated support of my Committee colleagues.

**Imran Afzal, FCA**

Chairman Benevolent Fund Management Committee





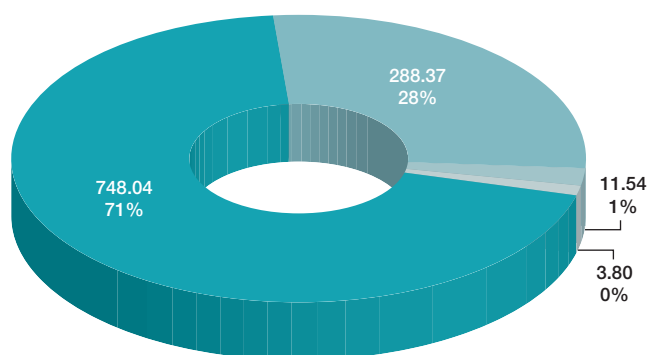
# FINANCIALS 2020

FINANCIAL ANALYSIS | FINANCIAL STATEMENTS

## COMPOSITION OF FINANCIAL ITEMS

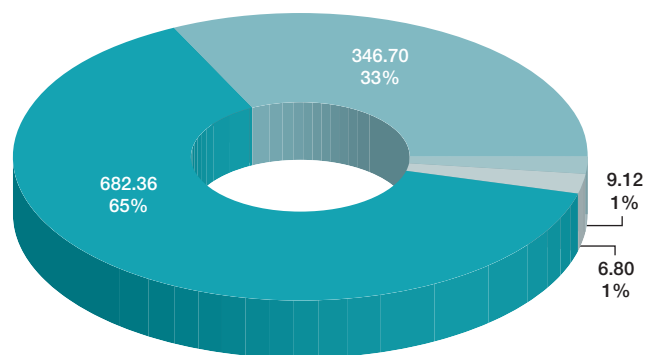
Non-Current Assets 2020

(Rupees in million)



Non-Current Assets 2019

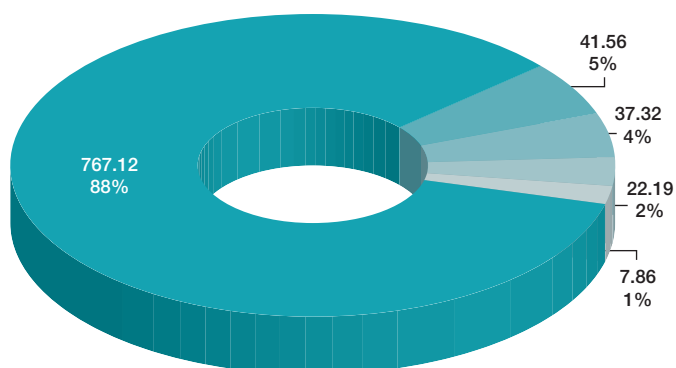
(Rupees in million)



- Property and equipment
- Long term investments
- Loans, advances, deposits and prepayments
- Intangible assets

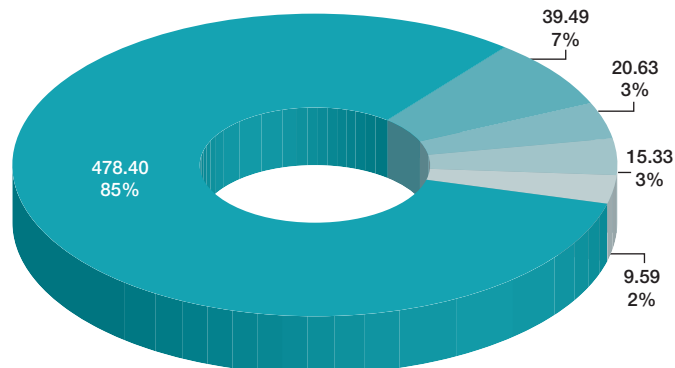
Current Assets 2020

(Rupees in million)



Current Assets 2019

(Rupees in million)

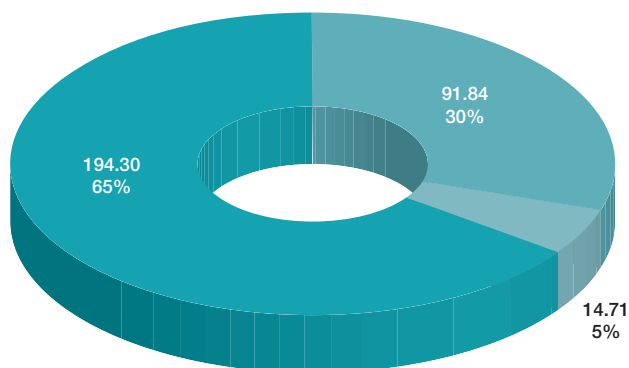


- Short term investments
- Loans, advances, prepayments and other receivables
- Cash and bank balances
- Stock of study packs, publications and souvenirs
- Accrued income on investments

## COMPOSITION OF FINANCIAL ITEMS

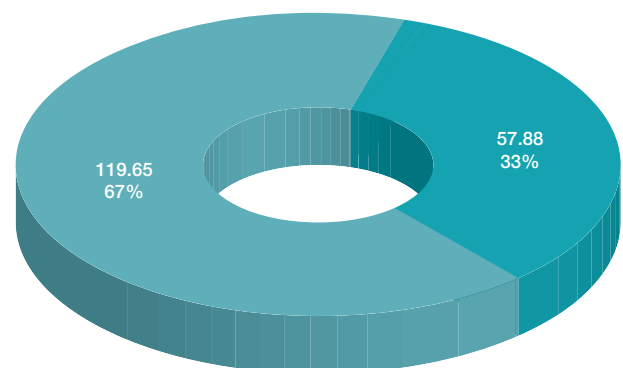
Liabilities 2020

(Rupees in million)



Liabilities 2019

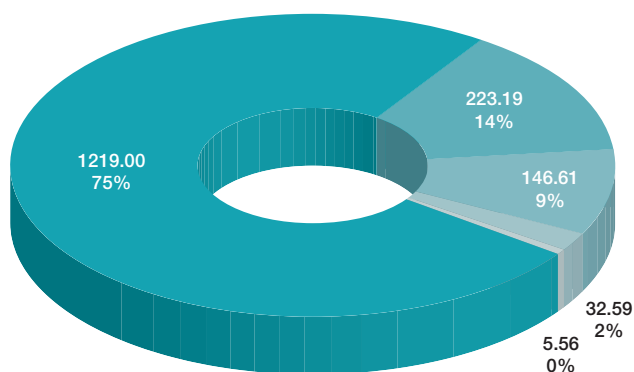
(Rupees in million)



- Fee and charges received in advance
- Creditors, accrued and other liabilities
- Lease liabilities against right-of-use-assets

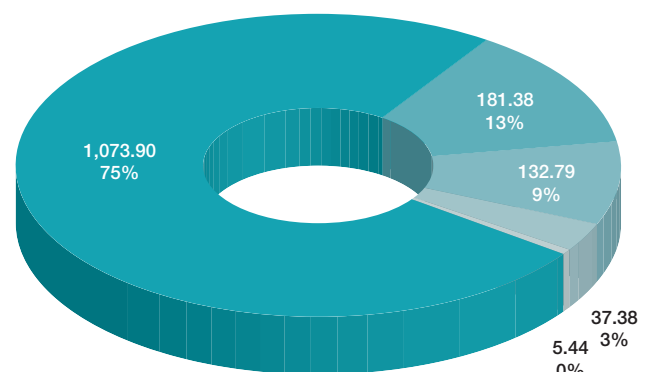
Fund position 2020

(Rupees in million)



Fund position 2019

(Rupees in million)

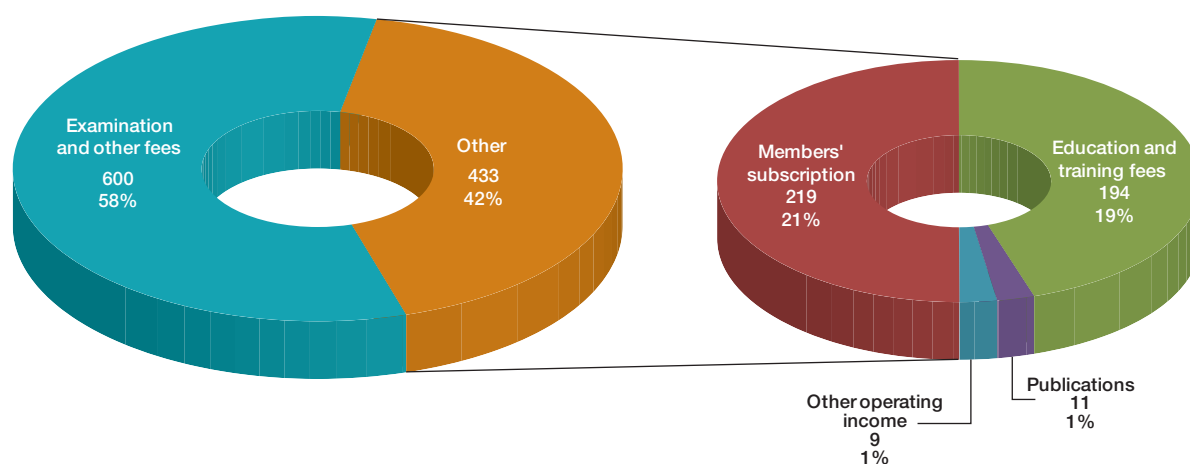


- General Fund
- Endowment Funds
- Benevolent Fund
- Regional Committees
- Specific Funds

## COMPOSITION OF FINANCIAL ITEMS

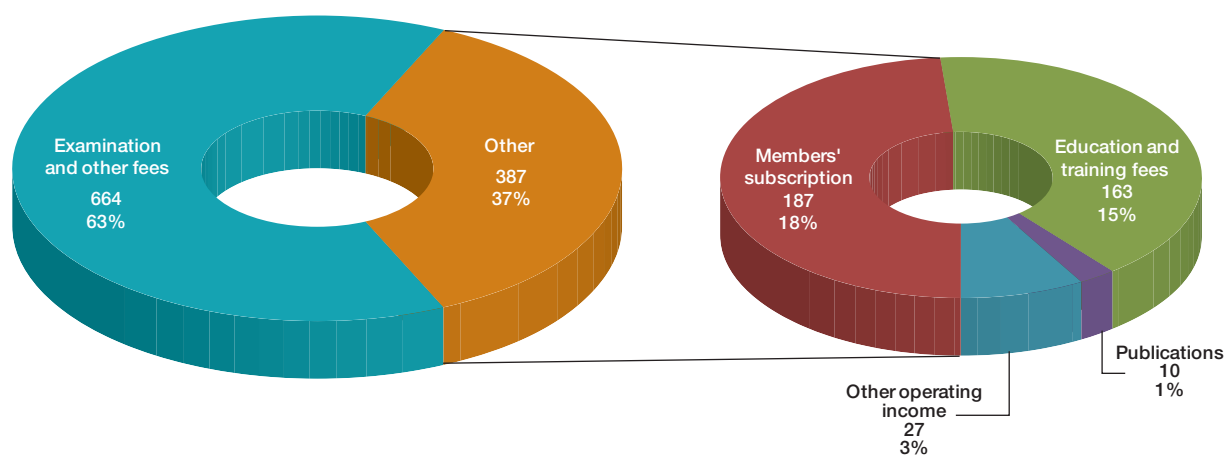
## Revenue 2020

(Rupees in million)



## Revenue 2019

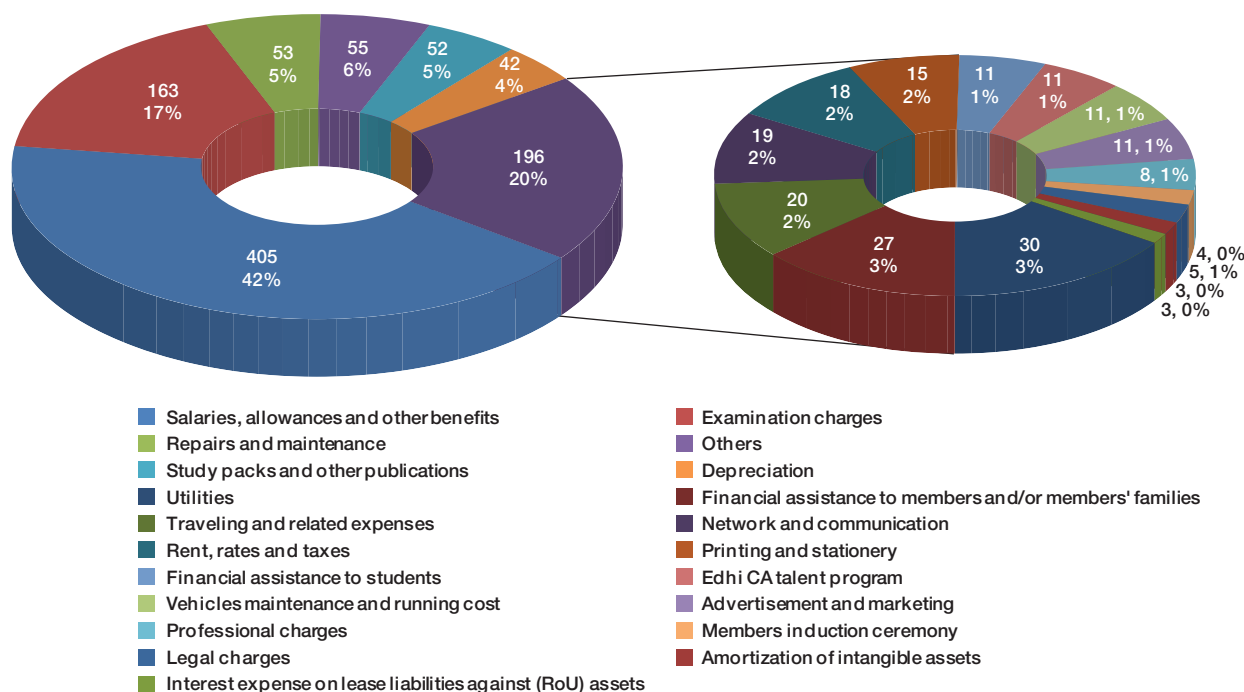
(Rupees in million)



## COMPOSITION OF FINANCIAL ITEMS

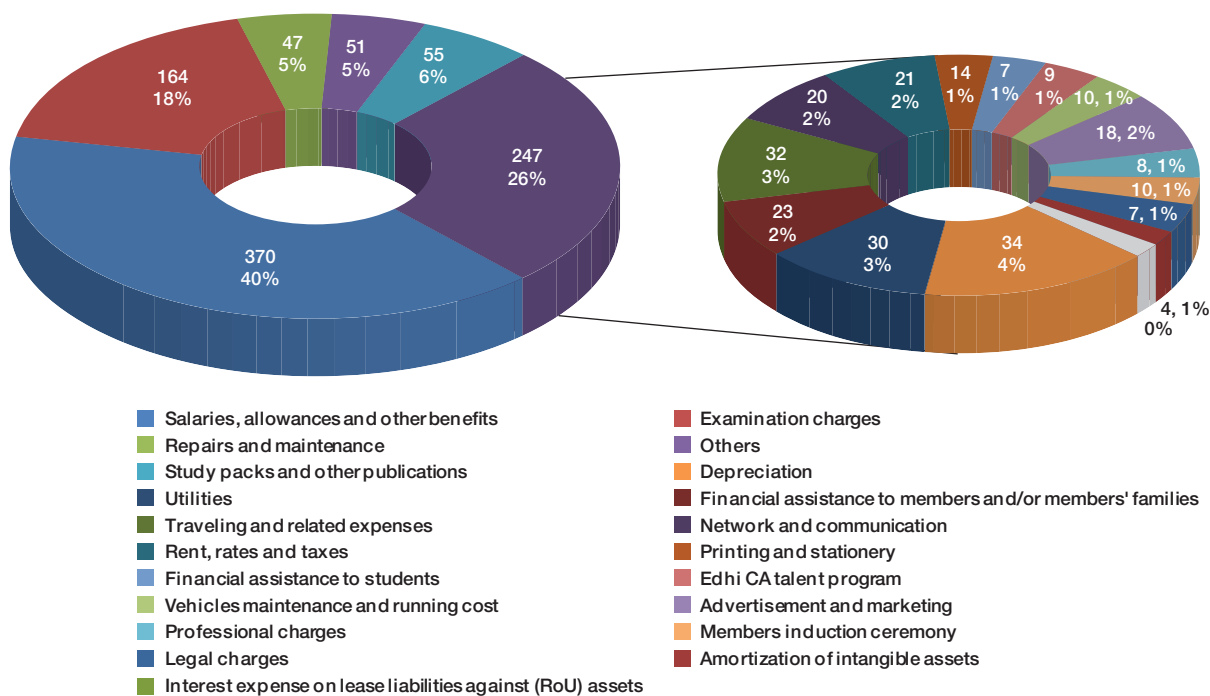
## Expenses 2020

(Rupees in million)



## Expenses 2019

(Rupees in million)



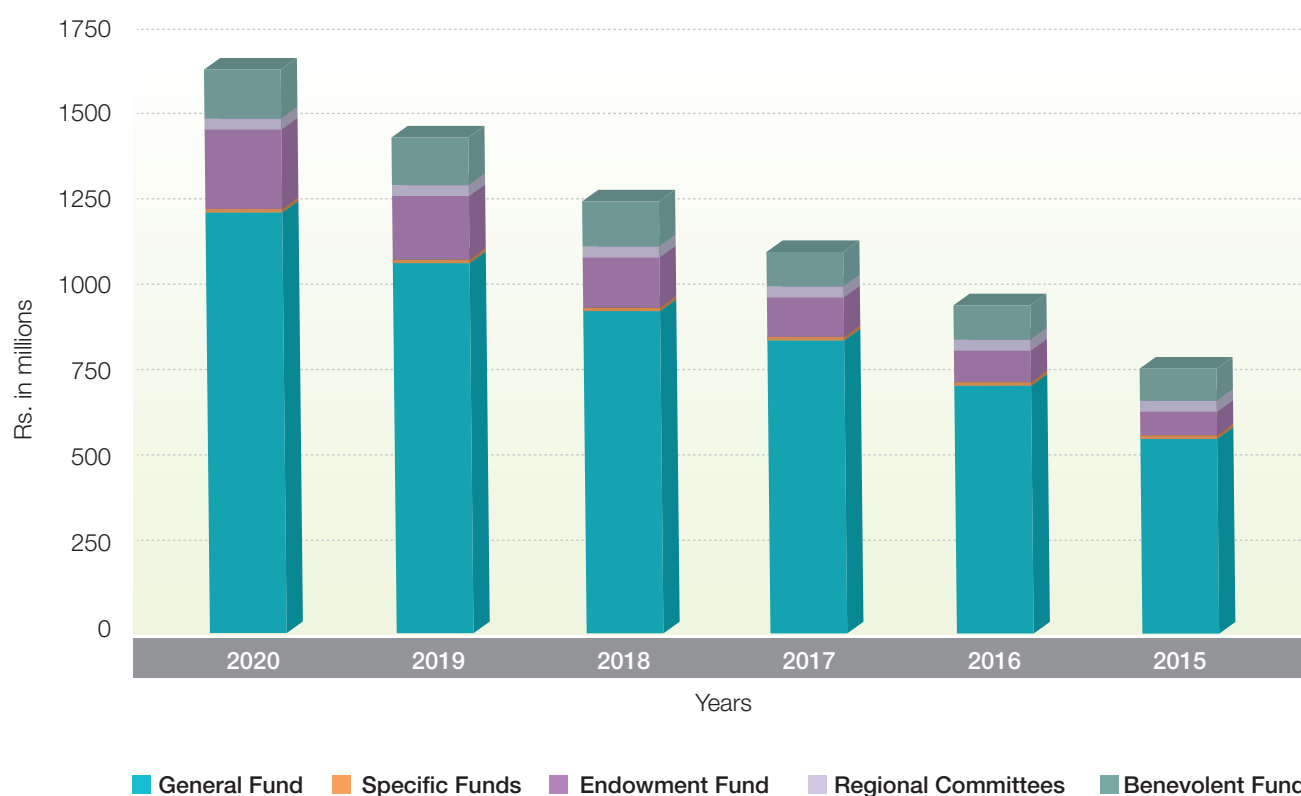


## SIX YEARS SUMMARY

### Fund position

Rs. in million

Descriptions	2020	2019	2018	2017	2016	2015
General Fund	1219	1074	934	842	718	555
Specific Funds	6	5	5	5	5	5
Endowment Funds	223	181	142	118	90	70
Regional Committees	33	37	37	33	37	38
Benevolent Fund	146	133	122	100	94	86
<b>Total</b>	<b>1627</b>	<b>1430</b>	<b>1240</b>	<b>1098</b>	<b>944</b>	<b>754</b>



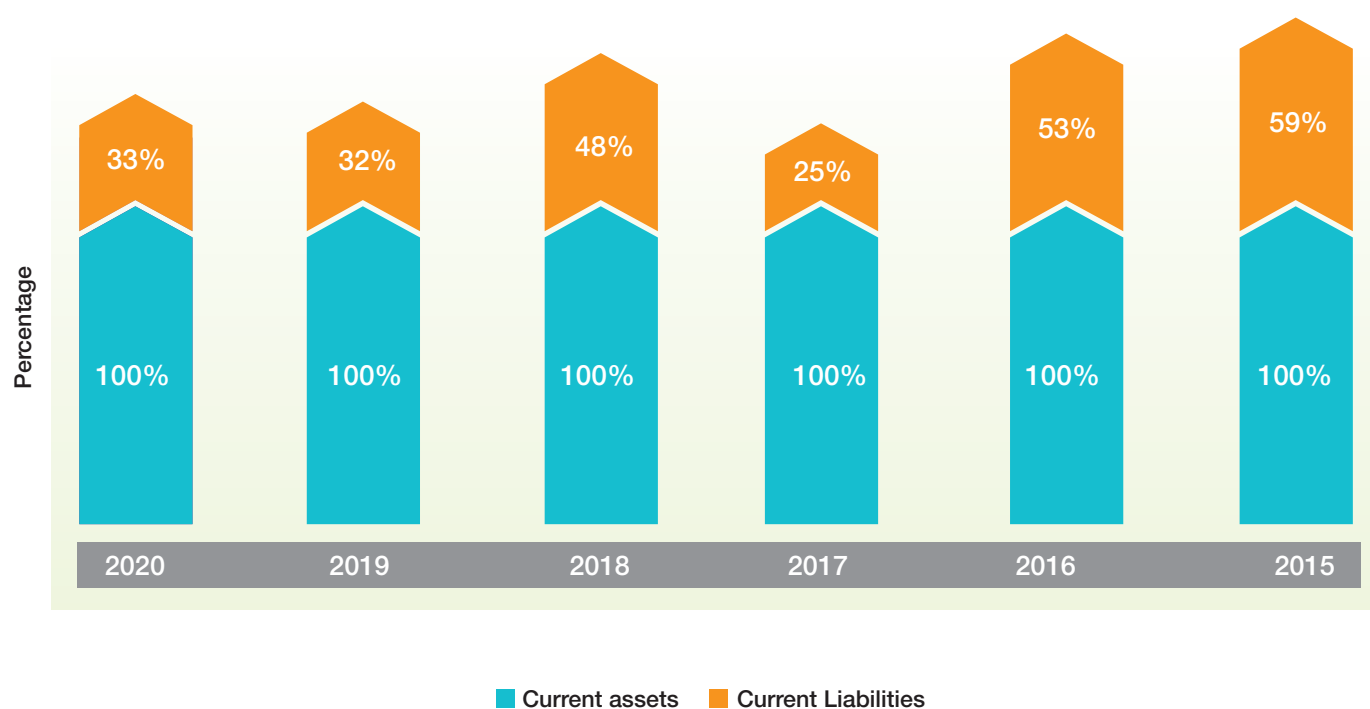
## SIX YEARS SUMMARY

### Assets & Liabilities

Rs. in million

Descriptions	2020	2019	2018	2017	2015	2015
Property and equipment	748	682	677	229	247	235
Long term assets	304	363	422	510	553	445
Current asset	876	563	270	479	305	179
Non-Current liability	(11)	-	-	-	-	-
Current liability	(290)	(178)	(129)	(120)	(161)	(105)
Net assets	1627	1430	1240	1098	944	754

### Current Assets 'vs' Current Liabilities

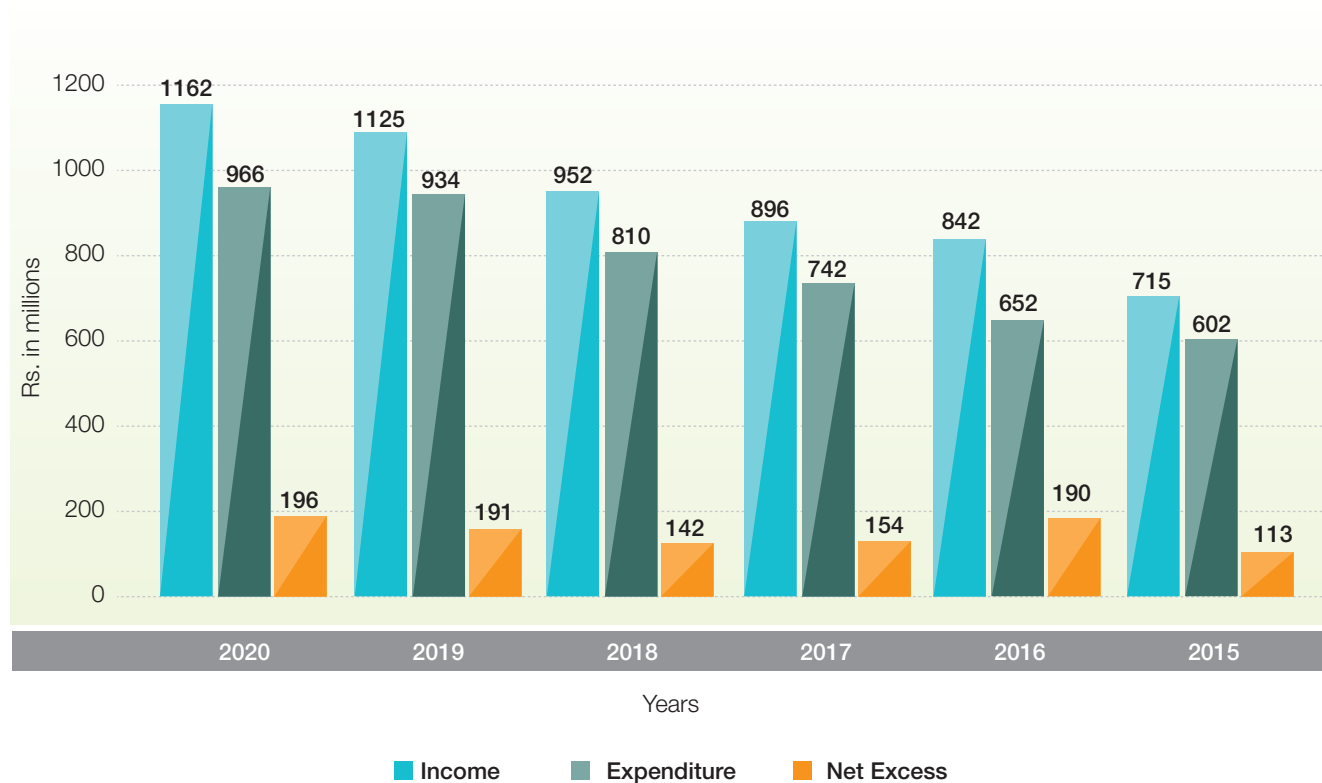


## SIX YEARS SUMMARY

### Income & Expenditure

Rs. in million

Descriptions	2020	2019	2018	2017	2016	2015
Income	1162	1125	952	896	842	715
Expenditure	966	934	810	742	652	602
Net Excess	196	191	142	154	190	113

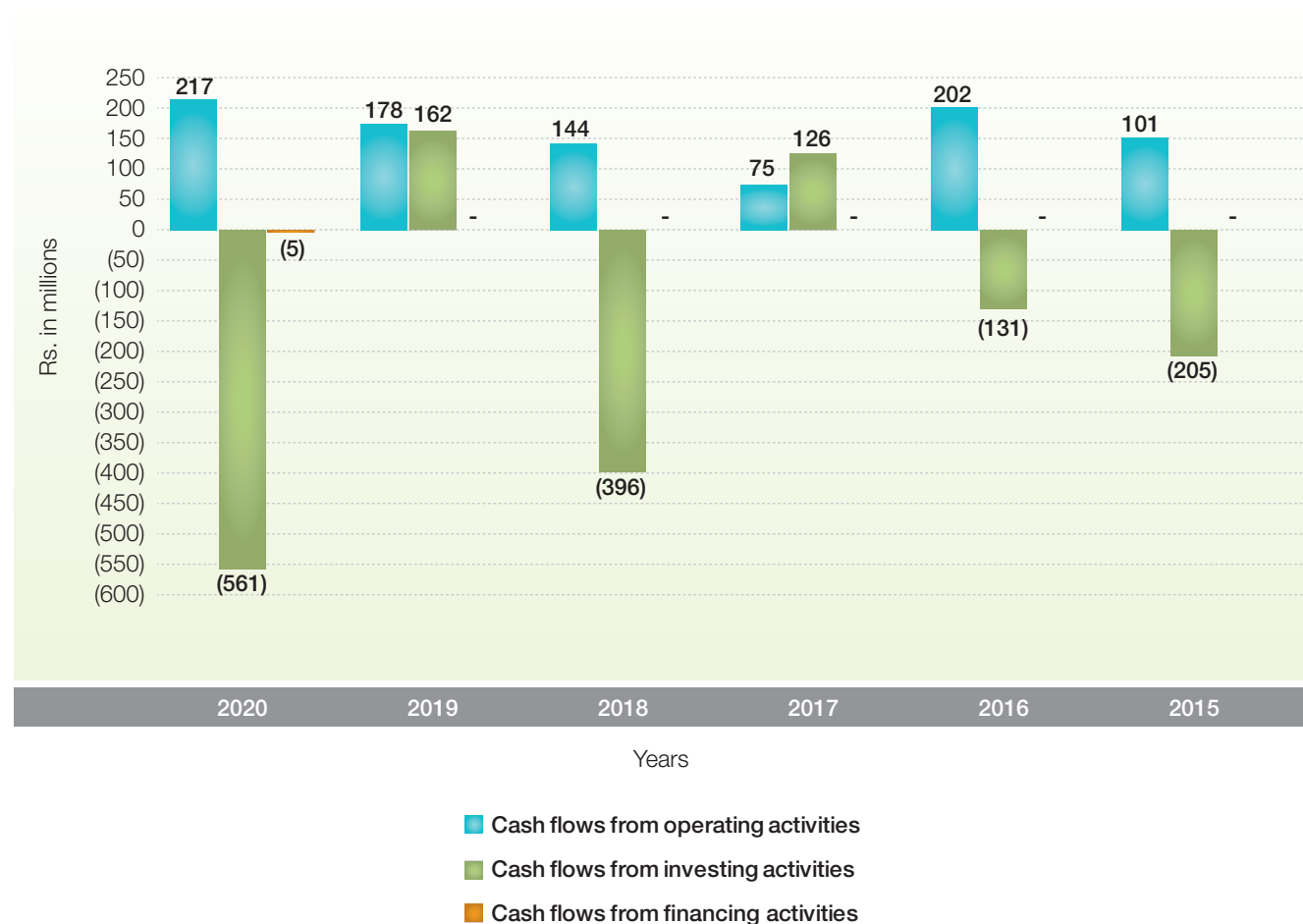


## SIX YEARS SUMMARY

## Cash Flows

Rs. in million

Descriptions	2020	2019	2018	2017	2016	2015
Cash & cash equivalent at the beginning of the year	456	116	368	167	96	200
Cash flows from operating activities	217	178	144	75	202	101
Cash flows from investing activities	(561)	162	(396)	126	(131)	(205)
Cash flows from financing activities	(5)	-	-	-	-	-
Net changes in cash and cash equivalent	(349)	340	(252)	201	71	(104)
Cash & cash equivalent at the end of the year	107	456	116	368	167	96



## SIX YEARS SUMMARY

## Vertical Analysis

Rupees in million

	2020	%	2019	%	2018	%	2017	%	2016	%	2015	%
<b>ASSETS AND LIABILITIES</b>												
Property and equipment	748	46%	682	48%	677	55%	229	21%	247	26%	235	31%
Other Long term assets	304	19%	363	25%	422	34%	510	46%	553	59%	445	59%
Current assets	876	54%	563	39%	270	21%	479	44%	305	32%	179	24%
Non-current liability	(11)	(1%)	-	-	-	-	-	-	-	-	-	-
Current liabilities	(290)	(18%)	(178)	(12%)	(129)	(10%)	(120)	(11%)	(161)	(17%)	(105)	(14%)
<b>Net assets</b>	<b>1627</b>	<b>100%</b>	<b>1430</b>	<b>100%</b>	<b>1240</b>	<b>100%</b>	<b>1098</b>	<b>100%</b>	<b>944</b>	<b>100%</b>	<b>754</b>	<b>100%</b>
<b>REPRESENTED BY</b>												
General Fund	1219	75%	1074	75%	934	75%	842	77%	718	76%	555	74%
Specific Funds	6	0%	5	0%	5	0%	5	0%	5	0%	5	1%
Endowment Funds	223	14%	181	13%	142	12%	118	11%	90	10%	70	9%
Regional Committees	33	2%	37	3%	37	3%	33	3%	37	4%	38	5%
Benevolent Fund	146	9%	133	9%	122	10%	100	9%	94	10%	86	11%
	<b>1627</b>	<b>100%</b>	<b>1430</b>	<b>100%</b>	<b>1240</b>	<b>100%</b>	<b>1098</b>	<b>100%</b>	<b>944</b>	<b>100%</b>	<b>754</b>	<b>100%</b>
<b>INCOME &amp; EXPENDITURES</b>												
Income	<b>1162</b>	<b>100%</b>	<b>1125</b>	<b>100%</b>	<b>952</b>	<b>100%</b>	<b>896</b>	<b>100%</b>	<b>842</b>	<b>100%</b>	<b>715</b>	<b>100%</b>
Expenditures	966	83%	934	83%	810	85%	742	83%	652	77%	602	84%
Operating Surplus	196	17%	191	17%	142	15%	154	17%	190	23%	113	16%



## SIX YEARS SUMMARY

## Horizontal Analysis

Rupees in million

	2020	Change over preceding year (%)	2019	Change over preceding year (%)	2018	Change over preceding year (%)	2017	Change over preceding year (%)	2016	Change over preceding year (%)	2015	Change over preceding year (%)
<b>ASSETS AND LIABILITIES</b>												
Property and equipment	748	10%	682	1%	677	196%	229	(7%)	247	5%	235	4%
Other Long term assets	304	(16%)	363	(14%)	422	(17%)	510	(8%)	553	24%	445	180%
Current assets	876	56%	563	109%	270	(44%)	479	57%	305	70%	179	(50%)
Non-current liability	(11)	(100%)	-	-	-	-	-	-	-	-	-	-
Current liabilities	(290)	(63%)	(178)	(38%)	(129)	(8%)	(120)	25%	(161)	(53%)	(105)	(2%)
<b>Net assets</b>	<b>1627</b>		<b>1430</b>		<b>1240</b>		<b>1098</b>		<b>944</b>		<b>754</b>	
<b>REPRESENTED BY</b>												
General Fund	1219	14%	1074	15%	934	11%	842	17%	718	29%	555	23%
Specific Funds	6	20%	5	0%	5	0%	5	0%	5	0%	5	25%
Endowment Funds	223	23%	181	27%	142	20%	118	31%	90	29%	70	(1%)
Regional Committees	33	(11%)	37	0%	37	12%	33	(11%)	37	(3%)	38	6%
Benevolent Fund	146	10%	133	9%	122	22%	100	6%	94	9%	86	12%
	<b>1627</b>		<b>1430</b>		<b>1240</b>		<b>1098</b>		<b>944</b>		<b>754</b>	
<b>INCOME &amp; EXPENDITURES</b>												
Income	1162	3%	1125	18%	952	6%	896	6%	842	18%	715	34%
Expenditures	966	3%	934	15%	810	9%	742	14%	652	8%	602	28%
Operating Surplus	196	3%	191	35%	142	(8%)	154	(19%)	190	68%	113	85%

## SIX YEARS SUMMARY

Rupees in thousand

Category	2020	2019	2018	2017	2016	2015
<b>OVERSEAS TRAVELLING</b>						
<b>International Federation of Accountants (IFAC)</b>						
Members of the Council	1,886	4,975	1,744	2,619	2,712	3,625
Members of the Committees	2,069	1,846	2,011	523	772	410
Staff of the Institute	-	663	1,217	-	-	615
	3,955	7,484	4,972	3,142	3,484	4,650
<b>Confederation of Asian and Pacific Accountants (CAPA)</b>						
Members of the Council	1,026	472	639	755	910	2,240
<b>South Asian Federation of Accountants (SAFA)</b>						
Members of the Council	1,409	1,877	1,557	2,346	727	1,392
Members of the Committees	433	-	268	182	126	-
Staff of the Institute	-	-	117	855	555	143
	1,842	1,877	1,942	3,383	1,408	1,535
<b>Professional Accountants in Business (PAIB)</b>						
Members of the Council	586	1,792	320	477	1,126	1,071
Staff of the Institute	-	-	-	-	-	-
	586	1,792	320	477	1,126	1,071
<b>Conference and Chapter activities</b>						
Members of the Council	840	341	830	967	-	718
Staff of the Institute	377	-	139	325	-	201
	1,217	341	969	1,292	-	919
<b>Others</b>						
Members of the Council	834	1,818	1,340	1,977	2,675	961
Members of the Committees	-	746	81	57	-	-
Staff of the Institute	511	242	307	196	-	265
	1,345	2,806	1,728	2,230	2,675	1,226
<b>Sub Total</b>	<b>9,971</b>	<b>14,772</b>	<b>10,570</b>	<b>11,279</b>	<b>9,603</b>	<b>11,641</b>
<b>LOCAL TRAVELLING</b>						
Members of the Council	6,644	10,192	6,483	5,622	5,628	3,920
Members of the Committees	936	1,910	3,155	1,383	1,236	957
Staff of the Institute	2,656	5,600	4,059	4,086	3,141	3,684
	10,236	17,702	13,697	11,091	10,005	8,561
<b>Sub Total</b>	<b>20,207</b>	<b>32,474</b>	<b>24,267</b>	<b>22,370</b>	<b>19,608</b>	<b>20,202</b>
<b>Grand Total</b>	<b>20,207</b>	<b>32,474</b>	<b>24,267</b>	<b>22,370</b>	<b>19,608</b>	<b>20,202</b>

**Muhammad Shabbir Kasbati**

**Chartered Accountant**

102, The Plaza, Block-9,  
Kehkashan, Clifton,  
Karachi – Pakistan.

**Syed Aftab Hameed**

**Chartered Accountant**

Amin Building, 65 The Mall,  
Lahore – Pakistan.

## 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 statement of financial position as at June 30, 2020 and the statement of comprehensive income, statement of cash flows and the 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, 2020, and of its financial performance and its cash flows and changes in funds for the year then ended in accordance with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP.

### Basis for Opinion

We conducted our audit in accordance with the 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.

### 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 the International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as notified by the SECP, and for such internal control as the management determine 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.

### Auditor's 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 the 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 the 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 and 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 statement 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.

**MUHAMMAD SHABBIR KASBATI**  
CHARTERED ACCOUNTANT  
KARACHI

**SYED AFTAB HAMEED**  
CHARTERED ACCOUNTANT  
LAHORE

DATED: September 4, 2020

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020	2019
		----- Rs. '000 -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	748,044	682,362
Intangible assets	6	3,803	6,798
Long term investments	7	288,371	346,695
Loans, advances, deposits and prepayments	8	11,540	9,122
		<u>1,051,758</u>	<u>1,044,977</u>
<b>CURRENT ASSETS</b>			
Stock of study packs, publications and souvenirs	9	22,193	15,334
Short term investments	10	767,122	478,403
Loans, advances, prepayments and other receivables	11	41,555	39,486
Accrued income on investments	12	7,855	9,589
Cash and bank balances	13	37,324	20,627
		<u>876,049</u>	<u>563,439</u>
<b>TOTAL ASSETS</b>		<u>1,927,807</u>	<u>1,608,416</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities against Right-of-use (RoU) assets	14	11,196	-
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	15	91,847	119,654
Fee and charges received in advance	16	194,298	57,881
Current portion of lease liabilities against Right-of-use (RoU) assets	14	3,513	-
		<u>289,658</u>	<u>177,535</u>
<b>TOTAL LIABILITIES</b>		<u>300,854</u>	<u>177,535</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	17		
<b>NET ASSETS</b>		<u>1,626,953</u>	<u>1,430,881</u>
<b>REPRESENTED BY:</b>			
<b>ACCUMULATED FUNDS</b>			
General Fund		1,219,003	1,073,899
Specific Fund		5,555	5,436
Endowment Funds		223,193	181,379
Regional Committees		32,591	37,382
Benevolent Fund		146,611	132,785
		<u>1,626,953</u>	<u>1,430,881</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- Rs. '000 -----	
<b>Income</b>			
Members' subscription and other fees	18	218,632	187,213
Examination and other fees	19	600,227	663,570
Education and training fees	20	194,281	163,132
Publications	21	10,616	10,211
Other income	22	8,591	27,002
		<u>1,032,347</u>	<u>1,051,128</u>
<b>Service / Operational expenditures</b>			
Salaries, allowances and other benefits	23	291,854	279,127
Examination charges		163,091	163,788
Depreciation	5.2	42,380	34,105
Traveling and related expenses	24	19,234	30,082
Study packs and other publications	25	52,129	55,497
Utilities		29,731	29,916
Network and communication		19,165	19,966
Repairs and maintenance	26	53,339	47,217
Printing and stationery		15,258	14,073
Rent, rates and taxes	27	18,268	20,533
Advertisement and marketing		10,432	17,848
Amortisation of intangible assets	6	2,995	3,760
Financial assistance to students	28	11,295	6,707
Financial assistance to members and/or members' families		27,041	23,155
Members induction ceremony		4,245	9,558
Edhi CA talent program		10,752	9,279
Vehicles maintenance and running cost		7,654	7,677
Legal charges		4,464	6,734
Professional charges		8,177	7,517
Interest expense on lease liabilities against Right-of-use (RoU) assets		2,349	-
Others	29	55,018	50,567
		<u>848,871</u>	<u>837,106</u>
<b>Administrative / Managerial expenditures</b>			
Salaries, allowances and other benefits	23	113,290	91,319
Traveling and related expenses		973	2,392
Vehicles maintenance and running cost		3,135	2,733
		<u>117,398</u>	<u>96,444</u>
<b>Total expenditure</b>		<u>966,269</u>	<u>933,550</u>
<b>Excess of income over expenditure before income from investments</b>		<u>66,078</u>	<u>117,578</u>
Income from investments	30	130,006	73,776
<b>Excess of income over expenditure for the year</b>		<u>196,084</u>	<u>191,354</u>
<b>Other comprehensive income</b>			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Deficit on re-measurement of financial assets at fair value through other comprehensive income		(12)	(535)
<b>Total comprehensive income for the year</b>		<u>196,072</u>	<u>190,819</u>
<b>Attributable to:</b>			
General Fund		181,380	177,158
Specific Fund		119	272
Endowment Funds		5,538	4,200
Regional Committees		(4,791)	315
Benevolent Fund		13,826	8,874
		<u>196,072</u>	<u>190,819</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		-----	-----
		Rs. '000	
<b>Cash flows from operating activities</b>			
<b>Cash received against:</b>			
Members' subscription and other fees		191,910	198,168
Examination and other fees		756,680	661,600
Education and training fees		194,281	163,132
Sale of publications		10,478	9,960
Facilities and miscellaneous		13,721	16,764
		1,167,070	1,049,624
<b>Cash paid against:</b>			
Salaries, allowances and other benefits		396,778	365,927
Fees to professional bodies		8,180	7,817
Property tax		1,313	987
Examination charges		172,568	166,243
Short term leases		14,714	-
Supplies and services		356,021	330,653
		949,574	871,627
<b>Net cash generated from operating activities</b>		217,496	177,997
<b>Cash flows from investing activities</b>			
Investments made - net		(666,460)	(317,343)
Fixed capital expenditure		(102,823)	(43,655)
Purchase of intangible assets		-	(8,761)
Proceeds from sale of property and equipment		5,650	15,654
Income received from investments		131,740	80,277
<b>Net cash used in investing activities</b>		(631,893)	(273,828)
<b>Cash flows from financing activities</b>			
<b>Cash paid against:</b>			
- lease liabilities against Right-of-use (RoU) assets		(3,489)	-
- finance cost on lease liabilities against Right-of-use (RoU) assets		(1,483)	-
<b>Net cash used in financing activities</b>		(4,972)	-
<b>Net decrease in cash and cash equivalents</b>		(419,369)	(95,831)
Investment realisable within three months		70,024	436,066
Cash and cash equivalents - at beginning of the year		456,693	116,458
<b>Cash and cash equivalents - at end of the year</b>	31	107,348	456,693

The annexed notes from 1 to 40 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT

FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Specific Fund	Endowment Funds			Regional Committees			Benevolent Fund *	Total
			Students' Fund	Libraries Development Fund	Sub total	Southern	Northern	Sub total		
----- Rs. '000 -----										
<b>Balance as at July 01, 2018</b>	933,945	5,164	133,174	8,573	141,747	28,688	8,607	37,295	121,911	1,240,062
Fund balance reclassification	228	-	-	-	-	-	(228)	(228)	-	-
Transferred to Benevolent Fund	934,173	5,164	133,174	8,573	141,747	28,688	8,379	37,067	121,911	1,240,062
Transferred to Students' Endowment Fund	(2,000)	-	-	-	-	-	-	-	2,000	-
	(35,432)	-	35,432	-	35,432	-	-	-	-	-
<b>Total comprehensive income for the year ended June 30, 2019</b>										
Excess / (deficit) of income over expenditure for the year	177,158	272	3,751	449	4,200	(415)	730	315	9,409	191,354
Other comprehensive loss	-	-	-	-	-	-	-	-	(535)	(535)
<b>Balance as at June 30, 2019</b>	177,158	272	3,751	449	4,200	(415)	730	315	8,874	190,819
	1,073,899	5,436	172,357	9,022	181,379	28,273	9,109	37,382	132,785	1,430,881
<b>Balance as at July 01, 2019</b>	1,073,899	5,436	172,357	9,022	181,379	28,273	9,109	37,382	132,785	1,430,881
Transferred to Students' Endowment Fund	(36,276)	-	36,276	-	36,276	-	-	-	-	-
<b>Total comprehensive income for the year ended June 30, 2020</b>										
Excess / (deficit) of income over expenditure for the year	181,380	119	4,987	551	5,538	(3,713)	(1,078)	(4,791)	13,838	196,084
Other comprehensive loss	-	-	-	-	-	-	-	-	(12)	(12)
<b>Balance as at June 30, 2020</b>	181,380	119	4,987	551	5,538	(3,713)	(1,078)	(4,791)	13,826	196,072
	1,219,003	5,555	213,620	9,573	223,193	24,560	8,031	32,591	146,611	1,626,953

The Council in its meeting held on May 10-11, 2017, decided to appropriate 20% of its net surplus from General Fund to Students' Endowment Fund annually.

\* The Management Committee of the ICAP Benevolent Fund, in its meeting held on June 29, 2018, decided to merge "Special Reserve Fund" into accumulated fund.

The annexed notes from 1 to 40 form an integral part of these financial statements.

**CHIEF FINANCIAL OFFICER**

**SECRETARY**

## PRESIDENT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### 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' and Libraries Development Endowment 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 individuals who are or have been members of the Institute including their spouse, children and dependents of such members. The Fund is governed by the rules approved by the Council. Major source of the Fund is the contribution 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 Companies Act, 2017.

#### 2.2 Functional and presentation currency

These financial statements are presented in Pakistani 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 standards, interpretations and amendments to published approved accounting standards

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

The Institute has adopted IFRS 16 during the year. The impact of adoption of this standard is set out below:

**(a) IFRS 16 'Leases'**

IFRS 16 replaces the previous lease standard, IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. IFRS 16 is effective for annual period beginning on or after January 1, 2019.

**(b) Change in accounting policy due to first time adoption of IFRS 16**

Previously, the Institute classified property leases as operating leases under IAS 17. From July 01, 2019, the Institute has applied IFRS 16 for recognition of the property leases, acquired for office premises and students library, having non-cancelable period of more than one year, using the modified retrospective approach.

**(c) New accounting policies of the Institute upon adoption of IFRS 16**

These are as under:

**(i) Right-of-Use (RoU) assets**

On initial application the RoU assets are measured at the present value of lease liability adjusted for lease prepayments. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term. Ancillary cost related to RoU assets are charged in statement of comprehensive income.

**(ii) Lease liability**

On initial application, the lease liabilities are measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowing (16.5%). Subsequently, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

**(d) Effect of adoption of IFRS 16 as at July 01, 2019**

	<b>July 1, 2019 Rs. '000</b>
Liabilities against RoU assets	17,332
Add: Lease prepayments	324
RoU assets - classified under building on leasehold land [note 5.2]	<u>17,656</u>

The carrying amounts of the Institute's RoU assets, lease liabilities and the movements during the year is as below:

	<b>RoU asset</b>	<b>Lease liability</b>
Amount initially recognised as at July 01, 2019	17,656	17,332
Depreciation	(4,320)	-
Interest expense on lease liabilities against RoU assets	-	2,349
Payments	-	(4,972)
As at June 30, 2020	<u>13,336</u>	<u>14,709</u>

Had this standard not been applied, assets and liabilities would have been lowered by Rs. 13.34 million and Rs. 14.71 million respectively. Rent expense would have been higher by Rs. 4.94 million where as depreciation charge and finance charges would have been lowered by Rs. 4.32 million and Rs. 2.35 million respectively.



- (e) There are no significant differences between operating lease commitments disclosed applying IAS 17 at the end of the period immediately preceding the date of initial application of IFRS 16, discounted upon using incremental rate of borrowing.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019, other than IFRS 16 "Leases", are considered not to be relevant for the Institute's financial statements and hence have not been detailed here.

### 2.3.3 New accounting standards and amendments to standards not yet effective

The following Standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each to them:

		Effective for the period beginning on or after
IAS-1	Presentation of Financial Statements & Accounting Policies, IAS 8 Changes in Accounting Estimates and Error - Amendments regarding the definition of "material"	January 01, 2020
IAS-1	Presentation of Financial Statements & Accounting Policies -Amendments regarding the classification of liabilities	January 01, 2023
IAS-16	Property, Plant and Equipment- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS-37	Provisions, Contingent Liabilities and Contingent Assets-Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022
IAS-41	Agriculture-Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements)	January 01, 2020
IFRS-1	First-time Adoption of International Financial Reporting Standards-Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)	January 01, 2022
IFRS-3	Business Combinations - Amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS-3	Business Combinations - Amendments regarding Investments in Associates and Joint Ventures resulting from Annual Improvements 2014-2016 Cycle clarifying certain fair value measurements	January 01, 2020
IFRS-4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS-9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020

		Effective for the period beginning on or after
IFRS-9	Financial Instruments -Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	January 01, 2022
IFRS-7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS-16	Leases -Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	June 01, 2020
	Revised Conceptual Framework	January 01, 2020

### 2.3.4 New Standards issued by IASB but not yet been notified / adopted by SECP

Following new standards issued by IASB but not yet been notified / adopted by SECP

	Effective for the period beginning on or after
IFRS – 1 First Time Adoption of IFRS	January 01, 2004
IFRS – 17 Insurance Contracts	January 01, 2021

## 3. BASIS OF MEASUREMENT

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are carried at amortised cost or at fair value through other comprehensive income.

### 3.2 Significant accounting estimates and judgement

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 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 4.6].

- (iv) Estimation of contingent liabilities [note 4.11 and 17].
- (v) Impairment of financial asset and non-financial assets [note 4.5].

#### **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, except for those as resulted on adoption of IFRS 16, Leases as stated in note 2.3.1.

##### **4.1 Property and equipment**

###### **4.1.1 Operating fixed assets - tangible**

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 become available for use and on disposals, up to the day the asset is in use. No amortisation is provided on leasehold land as cost of renewing lease is nominal and realizable value is higher than cost.

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 in the statement of comprehensive income.

Disposal of assets is recognised when significant risks and rewards incidental to the ownership have been transferred to buyer. 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.

##### **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 additions is charged from the day on which the asset become available for use and on disposals, up to the day the asset is in use.

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 in the statement of comprehensive income.

##### **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

The Institute has classified its financial instruments based on the requirements as set out in IFRS 9 – Financial Instruments. IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and contains three principal classification categories of financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics.

##### 4.4.1 Financial assets

###### (a) At Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and ;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

###### (b) At Fair Value through Other Comprehensive Income

A financial asset is measured at fair value through other comprehensive income if both the following conditions are met:

- i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

###### (c) At Fair Value through Profit or Loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

##### 4.4.1.1 Recognition and measurement

Financial assets at initial recognition are measured at its fair value of the consideration given.

Subsequent to initial recognition, financial assets are classified at amortised cost using effective interest method, fair value through other comprehensive income with changes in fair value recognised in other comprehensive income and fair value through profit or loss with changes in fair value recognised in profit or loss.

##### 4.4.2 Financial liabilities

At the time of initial recognition, all financial liabilities are measured at fair value net off transaction cost that are directly attributable to the issue of a financial liability. Financial liabilities shall subsequently be measured at amortised cost.

##### 4.4.3 Offsetting of financial instruments

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

## **4.5 Impairment**

### **4.5.1 Impairment in financial assets**

A financial asset is impaired if the credit risk on that financial asset has increased significantly. Loss allowance for expected credit losses on a financial asset is recognised to account for impairment.

If a financial asset has low credit risk at the date of initial recognition, then the management has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

### **4.5.2 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.

## **4.6 Stock of study packs, publications and souvenirs**

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

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

## **4.7 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 whereas, amounts considered irrecoverable are written off.

## **4.8 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.

## **4.9 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 reporting date. Provision is made to cover the obligation under the scheme on accrual basis.

## **4.10 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.

#### 4.11 Contingencies and commitments

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The management based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the management.

#### 4.12 Provisions

Provisions are recognised in the statement of financial position when the Institute has a legal or constructive obligation as a result of past events and it is probable that out flow of resources embodying 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

Income as presented in the statement of comprehensive income is the revenue as defined under IFRS 15 – Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. On evaluation of the performance obligations associated with the stream of revenues, accounting policies with respect to the revenue are enumerated below.

- Subscription income from members and students and admission fee from members is accounted for on receipt basis. Subscription receipts for periods beyond the current financial year are shown as advance fee.
- Practicing Certificate Fee is recognised in the period in which the practicing certificate is issued.
- Examination Fee is recognised in the period in which the examination is conducted.
- Examinee/Student registration fee is recognised in the period in which the Examinee/Student is registered.
- Fees received on account of training program is recognised in the period in which the training is provided.
- Income from sale of study pack and other publications is recognised on receipt basis.
- Profit on investments is accrued on the basis of effective yield of respective investments.
- Profit on savings account is recognised on accrual basis.

#### 4.14 Foreign currency transactions and translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the date of transactions. The closing balance of monetary items are translated using the exchange rate prevailing on the reporting 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 the 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 income 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. Parties are said to be related if they are able to influence operating and financial decisions of the Institute.

#### 4.17 Appropriation of funds

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

#### 4.18 Right-of-Use (RoU) assets

The policy has been stated in note 2.3.1 (c) (i).

#### 4.19 Lease liability

The policy has been stated in note 2.3.1 (c) (ii).

	Note	2020	2019
		----- Rs. '000 -----	
<b>5. PROPERTY AND EQUIPMENT</b>			
Land	5.1	440,220	440,220
Operating fixed assets	5.2	298,142	238,332
Capital work in progress	5.3	9,682	3,810
		<u>748,044</u>	<u>682,362</u>

#### 5.1 Land

- (a) This includes Rs. 440.202 million paid to Lahore Development Authority (LDA) in respect of piece of land, measuring 10 Kanal, 19 Marla and 17 Square ft. in Gulberg, Lahore, acquired through auction during the year 2017-18. The Lahore Development Authority (LDA) has demanded CVT of Rs. 8.8 million vide its letter DEM-I/LDA/1802511 dated July 28, 2018. The management is of the view that the CVT has been abolished effective July 1, 2017 and since the transaction date falls after July 1, 2017 the CVT is not payable on this transaction.

The management has challenged this demand in the Court of Law and is confident that the said levy is not payable by the Institute. On an application by the Institute on July 19, 2019, Lahore High Court has issued a restraining order whereby LDA can not transfer the said property to any third person.

The title of the land is not yet transferred in the name of the Institute due to the pendency of the CVT issue.

- (b) This also includes leasehold land at Preedy Street, Karachi, of Rs. 0.018 million, 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 available price.

## 5.2 Operating fixed assets - tangible

	Leasehold land	Building on leasehold land	Freehold land	Building on freehold land	Generators	Electric fittings and appliances	Furniture and fixtures	Vehicles	Office equipment	Library books - Regional Committees	Total
Rs. '000											
<b>As at June 30, 2018</b>											
Cost (note 5.2.1)	1,601	111,059	4,040	30,014	19,343	68,625	62,995	74,411	108,372	1,999	482,459
Accumulated depreciation	-	(51,222)	-	(12,363)	(9,847)	(42,279)	(27,935)	(28,823)	(71,549)	(1,463)	(245,481)
<b>Net book value</b>	<b>1,601</b>	<b>59,837</b>	<b>4,040</b>	<b>17,651</b>	<b>9,496</b>	<b>26,346</b>	<b>35,060</b>	<b>45,588</b>	<b>36,823</b>	<b>536</b>	<b>236,978</b>
<b>Year ended June 30, 2019</b>											
Opening net book value	1,601	59,837	4,040	17,651	9,496	26,346	35,060	45,588	36,823	536	236,978
Additions during the year via:											
Direct procurement	-	1,839	-	-	-	8,923	4,200	21,767	6,333	-	41,223
Capital work in progress (note 5.3)	-	1,839	-	-	-	8,964	5,138	21,767	6,333	-	44,041
Disposals (note 5.2.2)	-	-	-	-	-	(1,646)	-	(20,314)	(280)	-	(22,240)
Cost	-	-	-	-	-	1,445	-	12,556	159	-	14,160
Accumulated depreciation	-	-	-	-	-	(201)	-	(7,758)	(121)	-	(8,080)
Written off:											
Cost	-	-	-	-	-	(55)	(932)	-	(563)	(684)	(2,234)
Accumulated depreciation	-	-	-	-	-	32	807	-	359	534	1,732
Depreciation for the year	-	(3,050)	-	(883)	(1,424)	(4,245)	(3,734)	(10,817)	(9,775)	(150)	(34,105)
<b>Closing net book value</b>	<b>1,601</b>	<b>58,626</b>	<b>4,040</b>	<b>16,768</b>	<b>8,072</b>	<b>30,841</b>	<b>36,339</b>	<b>48,780</b>	<b>33,056</b>	<b>209</b>	<b>238,332</b>
<b>Year ended June 30, 2019</b>											
Cost (note 5.2.1)	1,601	112,898	4,040	30,014	19,343	75,888	67,201	75,864	113,862	1,315	502,026
Accumulated depreciation	-	(54,272)	-	(13,246)	(11,271)	(45,047)	(30,862)	(27,084)	(80,806)	(1,106)	(263,694)
<b>Net book value</b>	<b>1,601</b>	<b>58,626</b>	<b>4,040</b>	<b>16,768</b>	<b>8,072</b>	<b>30,841</b>	<b>36,339</b>	<b>48,780</b>	<b>33,056</b>	<b>209</b>	<b>238,332</b>
<b>Year ended June 30, 2020</b>											
Opening net book value	1,601	58,626	4,040	16,768	8,072	30,841	36,339	48,780	33,056	209	238,332
Additions during the year via:											
Direct procurement	-	1,821	-	2,611	-	4,479	10,498	20,890	33,327	-	69,194
Capital work in progress (note 5.3)	-	1,821	-	2,611	-	8,774	5,509	-	2,368	-	21,083
Recognition of right-of-use-assets (note 2.3.1)	-	17,656	-	-	-	13,253	16,007	20,890	35,695	-	90,277
Disposals (note 5.2.2)	-	-	-	-	-	(169)	-	(15,461)	(876)	-	(16,506)
Cost	-	-	-	-	-	70	-	10,041	652	-	10,763
Accumulated depreciation	-	-	-	-	-	(99)	-	(5,420)	(224)	-	(5,743)
Depreciation for the year	-	(2,952)	-	(903)	(1,214)	(5,068)	(4,465)	(11,080)	(12,309)	(69)	(38,060)
Depreciation on right-of-use-assets	-	(4,320)	-	-	-	-	-	-	-	-	(4,320)
<b>Closing net book value</b>	<b>1,601</b>	<b>70,831</b>	<b>4,040</b>	<b>18,476</b>	<b>6,858</b>	<b>38,927</b>	<b>47,881</b>	<b>53,170</b>	<b>56,218</b>	<b>140</b>	<b>298,142</b>
<b>Year ended June 30, 2020</b>											
Cost (note 5.2.1)	1,601	132,375	4,040	32,625	19,343	88,972	83,208	81,293	148,681	1,315	593,453
Accumulated depreciation	-	(61,544)	-	(14,149)	(12,485)	(50,045)	(35,327)	(28,123)	(92,463)	(1,175)	(295,311)
<b>Net book value</b>	<b>1,601</b>	<b>70,831</b>	<b>4,040</b>	<b>18,476</b>	<b>6,858</b>	<b>38,927</b>	<b>47,881</b>	<b>53,170</b>	<b>56,218</b>	<b>140</b>	<b>298,142</b>
<b>Annual rate of depreciation (% per annum)</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>15</b>	<b>15 - 20</b>	<b>10 - 20</b>	<b>20</b>	<b>15 - 33</b>	<b>33</b>	

5.2.1 This includes land carried at Re. 1, donated by a senior member of the Institute in 2010, to the Institute only for the construction of Institute's offices, library, examination center, class rooms, auditorium or other similar activities. The land is situated at Government Teachers Cooperative Housing Society Ltd., Gulzar-e-Hijri, Scheme 33, Karachi.

### 5.2.2 The detail of operating fixed assets disposed off during the year is as follows:

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceed	Receivable from insurance company	Gain / (loss)	Mode of disposal	Particulars of buyers
Rs. '000								
<b>Office equipments</b>								
Laptop	69	58	11	14	-	3	As per Institute's policy	Ms. Samina Iqbal, Ex-employee *
Laptop	84	51	33	33	-	-	As per Institute's policy	Mr. Usama Waheed, Ex-employee *
Laptop	66	45	21	21	-	-	As per Institute's policy	Ms. Shahma Zahid, Ex-employee *
Laptop	69	60	9	9	-	-	As per Institute's policy	Ms. Zareen Ali, Ex-employee
Laptop	66	55	11	11	-	-	As per Institute's policy	Mr. Adil Iqbal, Ex-employee
Dual Sided Card Printing Machine	522	383	139	50	-	(89)	Trade in	SBF Lamination
	<b>876</b>	<b>652</b>	<b>224</b>	<b>138</b>	<b>-</b>	<b>(86)</b>		
<b>Electric fittings and appliances</b>								
Air conditioners	169	70	99	119	-	20	Warranty claim	Orient Electronics Co.
<b>Vehicles</b>								
Honda City Manual	1,670	1,122	548	548	-	-	As per Institute's policy	Mr. Irfan Ghaziani, Employee *
Suzuki Cultus VXR Euro II	1,050	644	406	406	-	-	As per Institute's policy	Ms. Samina Iqbal, Ex-employee *
Suzuki Cultus VXR Euro II	1,050	699	351	351	-	-	As per Institute's policy	Ms. Zehra Hassan, Employee *
Suzuki Cultus VXR Euro II	1,050	702	348	348	-	-	As per Institute's policy	Mr. Abdul Aleem Rafiq, Employee *
Suzuki Cultus VXR Euro II	1,050	703	347	347	-	-	As per Institute's policy	Ms. Farheen Mirza, Employee *
Suzuki Cultus VXR Euro II	1,051	703	348	348	-	-	As per Institute's policy	Mr. M. Fahad Pervez, Employee *
Suzuki Cultus VXR Euro II	1,051	717	334	334	-	-	As per Institute's policy	Mr. Kashif Malik, Employee *
Suzuki Cultus VXR Euro II	1,051	715	336	336	-	-	As per Institute's policy	Ms. Samina Rasul, Employee *
Suzuki Cultus VXR Euro II	1,099	678	421	421	-	-	As per Institute's policy	Ms. Shahma Zahid, Ex-employee *
Suzuki Cultus VXR Euro II	1,051	703	348	348	-	-	As per Institute's policy	Mr. Shahzad Niaz, Employee
Suzuki Cultus VXR Euro II	1,050	702	348	348	-	-	As per Institute's policy	Mr. Andaleeb Bhojani, Employee
Suzuki Cultus VXR Euro II	1,050	702	348	348	-	-	As per Institute's policy	Mr. Mahmood Ahmad, Employee
Suzuki Cultus VXR Euro II	1,050	701	349	349	-	-	As per Institute's policy	Mr. Shakeel Ahmed, Ex-employee
Suzuki WagonR	1,066	505	561	561	-	-	As per Institute's policy	Mr. Adil Iqbal, Ex-employee
Honda CD 70 motorcycle-Multan	72	45	27	-	(27)	-	Insurance claim	National Insurance Corporation Ltd.
	<b>15,461</b>	<b>10,041</b>	<b>5,420</b>	<b>5,393</b>	<b>(27)</b>	<b>-</b>		
<b>June 30, 2020</b>	<b>16,506</b>	<b>10,763</b>	<b>5,743</b>	<b>5,650</b>	<b>(27)</b>	<b>(66)</b>		
June 30, 2019	22,240	14,160	8,080	15,654	-	7,574		

\* Key management personnel

	Note	2020	2019
		----- Rs. '000 -----	
<b>5.3 Capital work in progress</b>			
Opening balance		3,810	-
Additions (at cost)		30,249	6,628
Transfer to property and equipment	5.2	(21,083)	(2,818)
Transfer to other receivables	11.3.2	(3,294)	-
Closing balance		<u>9,682</u>	<u>3,810</u>

	Computer software licenses	Development cost of study pack	Total
	----- Rs. '000 -----		
<b>6. INTANGIBLE ASSETS</b>			
<b>As at June 30, 2018</b>			
Cost	2,068	26,048	28,116
Accumulated amortisation	(1,501)	(24,818)	(26,319)
Net book value	<u>567</u>	<u>1,230</u>	<u>1,797</u>
<b>Year ended June 30, 2019</b>			
Opening net book value	567	1,230	1,797
Addition	293	8,468	8,761
Amortisation charges	(550)	(3,210)	(3,760)
Closing net book value	<u>310</u>	<u>6,488</u>	<u>6,798</u>
<b>As at June 30, 2019</b>			
Cost	2,361	34,516	36,877
Accumulated amortisation	(2,051)	(28,028)	(30,079)
Net book value	<u>310</u>	<u>6,488</u>	<u>6,798</u>
<b>Year ended June 30, 2020</b>			
Opening net book value	310	6,488	6,798
Written off (note 6.1)			
Cost	1,868	-	1,868
Accumulated amortization	(1,868)	-	(1,868)
	-	-	-
Amortisation charges	(165)	(2,830)	(2,995)
Closing net book value	<u>145</u>	<u>3,658</u>	<u>3,803</u>
<b>As at June 30, 2020</b>			
Cost	493	34,516	35,009
Accumulated amortisation	(348)	(30,858)	(31,206)
Net book value	<u>145</u>	<u>3,658</u>	<u>3,803</u>
Annual rate of amortisation (% per annum)	<u>33%</u>	<u>33%</u>	

**6.1** Those computer software licences which have been fully amortized and are no longer in use of the Institute are written off during the year.

	Note	2020	2019
		----- Rs. '000 -----	
<b>7. LONG TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
General Fund	7.1	176,357	232,276
Specific Fund	7.2	1,889	1,922
Endowment Funds	7.3	105,580	107,940
		283,826	342,138
<b>At fair value through other comprehensive income</b>			
Benevolent Fund	7.4	4,545	4,557
		288,371	346,695
<b>7.1 General Fund</b>			
<b>At amortised cost</b>			
Certificates of Islamic Investment	7.1.1	115,000	115,000
Pakistan Investment Bonds	7.1.2	94,526	130,170
Less: Maturing within one year, classified under short term investments	10.1	(33,169)	(33,153)
		61,357	97,017
Certificates of Deposit	7.1.3	21,826	20,259
Less: Maturing within one year, classified under short term investments	10.1	(21,826)	-
		-	20,259
		176,357	232,276

**7.1.1** This represents investment in Sharia Compliant Term Deposit Certificates with a bank aggregating to Rs. 115 million (June 30, 2019: Rs. 115 million). These certificates carried profit at the rates ranging from 7.48% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis 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. 89.955 million (June 30, 2019: Rs. 122.86 million). Profit is receivable on half yearly basis, with yield at the rates ranging from 6.99% to 7.20% (June 30, 2019: 6.99% to 8.02%) per annum. These PIBs have term of five years and are maturing on various dates upto July 19, 2022.

**7.1.3** This represents investment in Certificates of Deposit of a Non-Banking Finance Company (NBFC) aggregating to Rs. 15 million (June 30, 2019: Rs. 15 million). These certificates carry mark-up at the rate of 10.42% (June 30, 2019: 10.42%) per annum receivable on maturity and are maturing on February 19, 2021. Accrued mark-up aggregating to Rs. 6.83 million (June 30, 2019: Rs. 5.26 million) is included in the carrying value.

	Note	2020	2019
		----- Rs. '000 -----	
<b>7.2 Specific Fund</b>			
<b>At amortised cost</b>			
Certificate of Islamic Investment	7.2.1	1,000	1,000
Pakistan Investment Bond	7.2.2	889	1,395
Less: Maturing within one year, classified under short term investments	10.2	-	(473)
		889	922
		1,889	1,922

**7.2.1** This represents investment in Sharia Compliant Term Deposit Certificate with a bank amounting to Rs. 1 million (June 30, 2019: Rs. 1 million). This certificate carried profit at the rates ranging from 7.48% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis and is maturing on February 13, 2022.

**7.2.2** This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 0.825 million (June 30, 2019: Rs. 1.29 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

	Note	2020	2019
		----- Rs. '000 -----	
<b>7.3 Endowment Funds</b>			
<b>At amortised cost</b>			
Students' Fund			
Certificates of Islamic Investment	7.3.1	42,000	42,000
Pakistan Investment Bonds	7.3.2	58,245	61,258
Less: Maturing within one year, classified under short term investments	10.3	-	(851)
		58,245	60,407
Libraries Development Fund			
Pakistan Investment Bonds	7.3.3	5,335	7,424
Less: Maturing within one year, classified under short term investments	10.3	-	(1,891)
		5,335	5,533
		105,580	107,940

**7.3.1** This represents investment in Sharia Compliant Term Deposit Certificates with a bank aggregating to Rs. 42 million (June 30, 2019: Rs. 42 million). These certificates carried profit at the rates ranging from 7.48% to 12.59% (June 30, 2019: 6.02% to 11.47%) per annum receivable on monthly basis 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. 54.07 million (June 30, 2019: Rs. 54.91 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.

**7.3.3** This represents investment in Pakistan Investment Bonds (PIBs) having face value of Rs. 4.95 million (June 30, 2019: Rs. 6.830 million). Profit is receivable on half yearly basis, with yield at the rate of 7.20% (June 30, 2019: 7.20% to 8.02%) per annum. These PIBs have a term of five years and are maturing on July 19, 2022.



	2020	2019
	----- Rs. '000 -----	
<b>7.4 Benevolent Fund</b>		
<b>At Fair value through other comprehensive income</b>		
<b>Investments in equity shares</b>		
<b>The Hub Power Company Limited</b>		
As on 01-July	3,532	3,687
Add: Right shares subscribed during the year	-	242
Nil (June 30, 2019: 4,839)	(281)	(397)
(Deficit) on re-measurement, based on the market value of 44,839 ordinary shares as on June 30	3,251	3,532
<b>Fauji Fertilizer Company Limited</b>		
As on 01-July	1,025	1,163
Surplus / (Deficit) on re-measurement, based on the market value of 11,767 ordinary shares as on June 30	269	(138)
	1,294	1,025
	4,545	4,557

- 7.4.1** These equity securities represent investments that the Institute intends to hold for long term strategic purposes and have therefore been classified as long term investments. As permitted by IFRS 9, the Institute has designated these investments at the date of initial application as measured at fair value through other comprehensive income (FVOCI).

	Note	2020	2019
		----- Rs. '000 -----	
<b>8. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
Motor cycle loans (secured - considered good):			
Opening balance as at 01-July		760	668
Additions during the year		659	583
	8.1	1,419	1,251
Less: Deductions during the year		(90)	-
Less: Recoverable within one year grouped under current assets	11	(566)	(491)
		763	760
Special Advances (secured - considered good):			
Opening balance as at 01-July		2,490	1,027
Additions during the year		500	3,597
	8.2	2,990	4,624
Less: Deductions during the year		(293)	-
Less: Recoverable within one year grouped under current assets	11	(1,483)	(2,134)
		1,214	2,490
Interest free education loans - unsecured			
considered good		1,484	1,516
considered doubtful		3,203	3,225
		4,687	4,741
Less: Impairment allowance against doubtful loans		(3,203)	(3,225)
		1,484	1,516
Deposits		4,701	4,191
Advance against purchase of property and equipment - Vehicles		3,378	-
Prepaid rent		-	165
		11,540	9,122

- 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 advances which are given to employees for various reasons in accordance with the 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. This includes Rs. 1.568 million (2019: Rs. 2.156 million) due from key management personnel.

	Note	2020	2019
		----- Rs. '000 -----	
<b>9. STOCK OF STUDY PACKS, PUBLICATIONS AND SOUVENIRS</b>			
Stock of study packs		14,603	9,728
Stock of publications and souvenirs		8,297	6,883
		<u>22,900</u>	<u>16,611</u>
Less: Provision for obsolete stock	9.1	(707)	(1,277)
		<u>22,193</u>	<u>15,334</u>
<b>9.1 Provision for obsolete stock:</b>			
Balance at the beginning of the year		(1,277)	(593)
Provision recognised during the year	29	(707)	(1,907)
Provision written off during the year		1,277	1,223
Balance at the end of the year		<u>(707)</u>	<u>(1,277)</u>
<b>10. SHORT TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
General Fund	10.1	532,139	285,741
Specific Fund	10.2	3,170	3,247
Endowment Funds	10.3	67,178	32,126
Southern Regional Committee	10.4	21,635	23,230
Northern Regional Committee	10.5	5,000	5,003
Benevolent Fund	10.6	138,000	129,056
		<u>767,122</u>	<u>478,403</u>
<b>10.1 General Fund</b>			
Certificates of Islamic Investment	10.1.1	477,144	252,588
Pakistan Investment Bonds	7.1.2	33,169	33,153
Certificate of Deposit	7.1.3	21,826	-
		<u>532,139</u>	<u>285,741</u>
<b>10.1.1</b>	This represents investment in Sharia Compliant Term Deposit Certificates with banks having aggregate face value of Rs. 465.36 million (June 30, 2019: Rs. 250 million). These certificates carried profit at the rates ranging from 6.25% to 13.5% (June 30, 2019: 11.00% to 13.50%) per annum receivable on maturity and are maturing on various dates upto June 29, 2021. Accrued profit aggregating Rs. 11.79 million (June 30, 2019: Rs. 2.59 million) is included in the carrying value.		

	Note	2020	2019
		----- Rs. '000 -----	
<b>10.2 Specific Fund</b>			
Certificate of Islamic Investment	10.2.1	3,170	2,774
Pakistan Investment Bond	7.2	-	473
		<u>3,170</u>	<u>3,247</u>

- 10.2.1** This represents investment in Sharia Compliant Term Deposit Certificate with a bank, having face value of Rs. 3.169 million (June 30, 2019: 2.70 million). This certificate carried profit at the rates ranging from 6.5% to 13.5% (June 30, 2019: 5.7% to 11%) per annum receivable on maturity and is maturing on June 29, 2021. Accrued profit amounting to Rs. 0.001 million (June 30, 2019: Rs. 0.074 million) is included in the carrying value.

	Note	2020	2019
		----- Rs. '000 -----	
<b>10.3 Endowment Funds</b>			
Students' Fund			
Certificate of Islamic Investment	10.3.1	65,301	29,384
Pakistan Investment Bond	7.3	-	851
		65,301	30,235
Libraries Development Fund			
Certificate of Islamic Investment	10.3.2	1,877	-
Pakistan Investment Bond	7.3	-	1,891
		<u>67,178</u>	<u>32,126</u>

- 10.3.1** This represents investment in Sharia Compliant Term Deposit Certificates with banks having face value aggregating to Rs. 64.84 million (June 30, 2019: Rs. 28.60 million). These certificates carried profit at the rates ranging from 6.5% to 13.5% (June 30, 2019: 7.8% to 11%) per annum receivable on maturity and are maturing on various dates upto June 29, 2021. Accrued profit amounting to Rs. 0.46 million (June 30, 2019: Rs. 0.78 million) is included in the carrying value.

- 10.3.2** This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 1.88 million (June 30, 2019: Nil). This certificate carries mark-up at the rate of 6.5% (June 30, 2019: Nil) per annum receivable on maturity and is maturing on June 29, 2021.

	Note	2020	2019
		----- Rs. '000 -----	
<b>10.4 Southern Regional Committee</b>			
Certificate of Islamic Investment	10.4.1	<u>21,635</u>	<u>23,230</u>

- 10.4.1** This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 20.5 million (June 30, 2019: Rs. 23.2 million). This certificates carried profit at the rates ranging from 7% to 13.5% (June 30, 2019: 4.80% to 13.00%) per annum receivable on maturity and is maturing on December 30, 2020. Accrued profit amounting to Rs. 1.14 million (June 30, 2019: Rs. 0.03 million) is included in the carrying value.

	Note	2020	2019
		----- Rs. '000 -----	
<b>10.5 Northern Regional Committee</b>			
Certificate of Islamic Investment	10.5.1	5,000	5,003
<b>10.5.1</b> This represents investment in Sharia Compliant Term Deposit Certificate with a bank having face value of Rs. 5.00 million (June 30, 2019: Rs. 5.00 million). This certificate carried profit at the rates ranging from 6.5% to 12.5% (June 30, 2019: 4.62% to 10.75%) per annum receivable on monthly basis and is maturing on June 28, 2021. Accrued profit amounting to Rs. Nil (June 30, 2019: Rs. 0.003 million) is included in the carrying value.			
	Note	2020	2019
		----- Rs. '000 -----	
<b>10.6 Benevolent Fund</b>			
Certificates of Islamic investment	10.6.1	138,000	123,291
Defence Savings Certificates		-	5,765
		138,000	129,056
<b>10.6.1</b> This represents investment in Sharia Compliant Term Deposit Certificates with a bank having face value aggregating to Rs. 138 million (June 30, 2019: Rs. 120 million). These certificates carried profit at the rates ranging from 6.5% to 13.5% (June 30, 2019: 7.8% to 11%) per annum receivable on monthly basis and are maturing on June 28, 2021.			
	Note	2020	2019
		----- Rs. '000 -----	
<b>11 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Motor Cycle loans (secured - considered good):			
Opening balance as at 01-July		423	382
Current portion transfer from long term	8	566	491
Less: Recovered during the year		(522)	(450)
		467	423
Special Advances (secured - considered good):			
Opening balance as at 01-July		1,678	1,016
Additions during the year		435	-
Current portion transfer from long term	8	1,483	2,134
		3,596	3,150
Less: Recovered during the year		(2,185)	(1,472)
		1,411	1,678
Salaries advance (secured - considered good):			
Opening balance as at 01-July		2,008	1,842
Additions during the year		3,963	7,387
Less: Recovered during the year		(4,450)	(7,221)
	11.1	1,521	2,008
Other advances - Unsecured			
Suppliers and others		4,801	1,984
Income tax		11,123	10,816
		15,924	12,800
Less: Impairment allowance against advance income tax for the year	11.2	(11,123)	(10,816)
		4,801	1,984
Prepayments:			
- Rent		2,120	2,772
- Others		21,430	15,252
		23,550	18,024
Other receivables			
- considered good	11.3	9,805	15,369
		41,555	39,486

**11.1** This includes Rs. 0.684 million (June 30, 2019: Rs. 0.955 million) due from key management personnel.

	Note	2020	2019
		----- Rs. '000 -----	
<b>11.2</b>			
Opening balance		10,816	8,328
Add: Impairment allowance against advance income tax		307	2,488
Closing balance		<u>11,123</u>	<u>10,816</u>
<b>11.3</b>	<b>Other receivables (considered good)</b>		
Fee in transit	11.3.1	846	5,532
Due on account of rental of facilities		657	1,114
Due from contractor	11.3.2	3,069	-
Due from ICMAP		1,166	1,667
Due on account of conferences		245	3,748
Due on account of insurance claim		799	343
Miscellaneous	11.3.3	<u>3,023</u>	<u>2,965</u>
		<u>9,805</u>	<u>15,369</u>

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

**11.3.2** This represents amount recoverable from a contractor. The contractor failed to fulfill his obligation under the contract, hence the Institute has decided to file a suit for recovery of amount paid under the contract after adjusting 15% from mobilization advance. The Institute is confident of a favorable outcome, hence the amount paid to date has been considered as receivable.

**11.3.3** This includes Rs. 0.134 million receivable from an Ex-Council Member (2019: Rs. 0.134 million).

	2020	2019
	----- Rs. '000 -----	
<b>12</b>	<b>ACCRUED INCOME ON INVESTMENTS</b>	
Accrued income on:		
Certificates of Islamic investments	1,044	1,900
Pakistan Investment Bonds	<u>6,811</u>	<u>7,689</u>
	<u>7,855</u>	<u>9,589</u>

	Note	2020	2019
		----- Rs. '000 -----	
<b>13 CASH AND BANK BALANCES</b>			
<b>General Fund</b>			
<b>Cash in hand</b>			
Local currency		263	338
Foreign currency		-	370
		<u>263</u>	<u>708</u>
<b>Cash at banks in:</b>			
<b>Current accounts</b>			
Local currency		1,175	810
Foreign currency		168	160
		<u>1,343</u>	<u>970</u>
<b>Saving accounts</b>			
Local currency	13.1	28,311	9,715
Foreign currency	13.2	1,659	1,545
		<u>29,970</u>	<u>11,260</u>
<b>Specific Fund</b>			
Cash at bank in Saving accounts	13.1	239	210
<b>Students' Endowment Fund</b>			
Cash at bank in Saving account	13.1	4	1
<b>Southern Regional Committee</b>			
Cash in hand		-	27
<b>Cash at banks in:</b>			
Current accounts		920	3,868
Saving accounts	13.1	863	586
		<u>1,783</u>	<u>4,454</u>
<b>Northern Regional Committee</b>			
Cash in hand		97	162
<b>Cash at banks in:</b>			
Current account		1,335	443
Saving accounts	13.1	1,928	2,123
		<u>3,263</u>	<u>2,566</u>
<b>Benevolent Fund</b>			
Cash at bank in Saving accounts	13.1	362	269
		<u>37,324</u>	<u>20,627</u>

**13.1** These carried mark-up at the rates upto 12.43% (2019: upto 11.40%) per annum.

**13.2** These carried mark-up at the rates upto 0.11% (2019: upto 0.10%) per annum.



	Note	2020	2019
		----- Rs. '000 -----	
<b>14 LEASE LIABILITIES AGAINST RIGHT-OF-USE (ROU) ASSETS</b>			
Lease liabilities against (RoU) assets	2.3.1	14,709	-
Less: Current portion		(3,513)	-
		<u>11,196</u>	<u>-</u>

**14.1** The maturity analysis of the lease liabilities against (RoU) assets, as at June 30, 2020, is as under:

	Rs. '000
Within one year	3,513
Over one year up to three years	8,384
Over three years up to five years	2,812
Over five years	-
	<u>14,709</u>

	Note	2020	2019
		----- Rs. '000 -----	
<b>15 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors		24,077	53,878
Accrued liabilities	15.1 & 15.2	58,633	57,612
Other liabilities			
Retention money		1,596	436
IFRS Foundation royalty		144	282
Others	15.2	7,397	7,446
		<u>9,137</u>	<u>8,164</u>
		<u>91,847</u>	<u>119,654</u>

**15.1** These include Rs. 44.55 million (2019: Rs. 36.87 million) of provision against accumulated compensated absences.

**15.2** These include Rs. Nil (2019: Rs. 1.111 million) payable to Council Members and Rs. 0.742 million (2019: Rs. 0.742 million) payable to key management personnel.

	Note	2020	2019
		----- Rs. '000 -----	
<b>16 FEE AND CHARGES RECEIVED IN ADVANCE</b>			
Fee received in advance from / on account of:			
Members		6,756	33,478
Examinations	16.1	177,117	20,664
CPD activities	16.2	6,920	-
Others		3,505	3,739
		<u>194,298</u>	<u>57,881</u>

**16.1** This represents the examination fees received against AFC Spring 2020 and AFC and CFAP/MSA Summer 2020 examinations. These examinations were postponed due to COVID-19 pandemic.

**16.2** This represents the fees received against CPD activities to be conducted by the Institute but were postponed due to COVID-19 pandemic.

## **17 CONTINGENCIES AND COMMITMENTS**

**17.1** A single member bench of the Competition Commission of Pakistan (CCP) passed an order in 2008, directing the Institute to withdraw ATR-14, through which, the minimum hourly charge out rate and minimum fee for audit engagements were fixed, being violative of Section 4(1) and 4(2) (a) of the Competition Ordinance, 2007. A penalty of Rs. 300,000/- per day in the event of non-compliance of the order was imposed. An appeal was filed against the above order before the Appellate Bench of the CCP. The Appellate Bench passed an order upholding the above decision and directed the Institute to withdraw ATR 14 and imposed a penalty of Rs. 1 million and Rs. 300,000 per day in the event of non-compliance (withdrawal of ATR-14) of the order.

Subsequently, an appeal was filed by the Institute before the Supreme Court of Pakistan against the order passed by Appellate Bench of the CCP. On March 19, 2009 the Honorable Supreme Court suspended the operation of the said order. On June 01, 2017, the appeal was disposed-off by the Supreme Court by transferring it to the Competition Appellate Tribunal constituted under the Competition Act, 2010. The appeal of the Institute is still pending adjudication before the Appellate Tribunal of the Competition Commission of Pakistan.

The Institute has a fair case, therefore, no accrual has been made in these financial statements relating to the above referred penalty.

**17.2** The Competition Commission of Pakistan (CCP) passed an order dated January 10, 2013, wherein it was held that the Institute circular dated July 4, 2012, refraining the training organizations from engaging trainees of other accounting bodies, was in violation of section 4 of the Competition Act, 2010. Through the said order, the CCP also directed the Institute to withdraw the circular and imposed a penalty of Rs. 25 million in addition to Rs. 1 million per day if the Institute continues the practice in violation of the order of the CCP. The Institute filed a writ petition on February 23, 2013 in the Honorable Lahore High Court against the aforementioned order in addition to appeal filed on March 9, 2013 before the Competition Appellate Tribunal.

The Honorable Lahore High Court vide its interim orders dated February 25, 2013 and October 23, 2013, suspended the operation of the order dated January 10, 2013 passed by the CCP, to the extent that no Training Organization shall enroll or engage students exceeding the number specified in the Institute's Bye Law 104 and in determining the said number preference to be given to the students registered with the Institute and the penalty imposed by the CCP shall not be recovered till final disposal of the writ petition.

Both the writ petition and the appeal are pending adjudication before the Honorable Lahore High Court and the Appellate Bench of the Competition Commission respectively.

Based on legal advice, the Institute expects a favorable outcome of the legal proceedings, therefore, no provision has been made in these financial statements against the said penalty.

**17.3** Commitments in respect of capital expenditure as at the reporting date aggregated to Rs. 30.80 million (2019: Rs. 15.50 million).

	Note	2020	2019
		----- Rs. '000 -----	
<b>18 MEMBERS' SUBSCRIPTION AND OTHER FEES</b>			
Annual subscription	18.1	186,232	163,473
Practicing certificate fee		28,840	20,815
Admission fee		3,391	2,820
Foreign affiliation fee		67	-
Duplicate identity card fee		102	105
		<u>218,632</u>	<u>187,213</u>
<b>18.1 Annual subscription attributable to:</b>			
General Fund		158,579	136,763
Southern Region		3,536	3,446
Northern Region		2,882	2,783
Benevolent Fund		21,235	20,481
		<u>186,232</u>	<u>163,473</u>
<b>19 EXAMINATION AND OTHER FEES</b>			
Examination fee		518,462	611,008
Annual subscription from students		75,551	46,303
Fee for duplicate certificates and other services		6,214	6,259
		<u>600,227</u>	<u>663,570</u>
<b>20 EDUCATION AND TRAINING FEES</b>			
Students Registration fee		190,360	159,477
Registered Accounting Education Tutors' (RAET) fee		3,504	3,094
Training organization fee		417	561
		<u>194,281</u>	<u>163,132</u>
<b>21 PUBLICATIONS</b>			
Study packs	21.1	2,099	2,220
Other Publications:			
Accounting Standards		6,203	5,524
Auditing Standards		1,351	1,538
Miscellaneous		963	929
		<u>8,517</u>	<u>7,991</u>
		<u>10,616</u>	<u>10,211</u>

**21.1** This represents income generated from sale of study packs to RAETs and others.

	Note	2020	2019
		----- Rs. '000 -----	
<b>22 OTHER INCOME</b>			
Income derived from utilisation of facilities		3,254	4,336
Gain on sale of property and equipment - net	5.2.2	-	7,574
Surplus on Directors' Training Programs	22.1	1,431	11,604
Surplus on Directors' Orientation Training Programs	22.2	-	627
Surplus on IFRSs Training Program		-	225
Donation received during the year		3,310	621
Miscellaneous		596	2,015
		<u>8,591</u>	<u>27,002</u>

	2020	2019
	----- Rs. '000 -----	
<b>22.1 Surplus on Directors' Training Programs</b>		
Fee received for the training	5,273	25,596
Less: Expenses incurred on training	(3,842)	(13,992)
	<u>1,431</u>	<u>11,604</u>
<b>22.2 Surplus on Directors' Orientation Training Programs</b>		
Fee received for the training	-	800
Less: Expenses incurred on training	-	(173)
	<u>-</u>	<u>627</u>
<b>23 SALARIES, ALLOWANCES AND OTHER BENEFITS</b>		
Service / Operational expenditure	291,854	279,127
Administrative / Managerial expenditure	113,290	91,319
	<u>405,144</u>	<u>370,446</u>
<b>23.1</b> Salaries, allowances and other benefits include Rs. 19.505 million (2019: Rs. 18.174 million) in respect of staff retirement benefits.		
	2020	2019
	----- Rs. '000 -----	
<b>24 TRAVELING AND RELATED EXPENSES</b>		
Expenses incurred in respect of meetings and conferences attended by:		
Members of the Council	13,225	21,467
Members of the Committees	3,438	4,502
Staff of the Institute		
Secretary, directors and other executives	3,319	3,034
Other staff	225	3,471
	<u>3,544</u>	<u>6,505</u>
	<u>20,207</u>	<u>32,474</u>
<b>24.1</b> These expenses are related to:		
Service / Operational expenditure	19,234	30,082
Administrative / Managerial expenditure	973	2,392
	<u>20,207</u>	<u>32,474</u>
<b>25 STUDY PACKS AND OTHER PUBLICATIONS</b>		
Study packs:		
Opening stock	9,728	3,243
Cost of publication of study packs	43,366	45,490
Less: Closing stock	(14,603)	(9,728)
	<u>38,491</u>	<u>39,005</u>
Other publications	13,638	16,492
	<u>52,129</u>	<u>55,497</u>

**26 REPAIR AND MAINTENANCE**

This includes ancillary expenses amounting to Rs. 1.247 million related to RoU assets.

**27 RENT, RATES AND TAXES**

This includes rentals amounting to Rs. 16.13 million related to short term property leases.

**28 FINANCIAL ASSISTANCE TO STUDENTS**

This represents disbursement made out of Students' Endowment Fund.

	Note	2020	2019
		----- Rs. '000 -----	
<b>29 OTHERS</b>			
Fee to professional bodies	29.1	8,828	7,326
Auditors' remuneration	29.2	1,093	1,059
Meeting and related expenses		1,512	1,949
Books and publications		791	873
Conveyance		284	211
Entertainment		4,431	4,403
Bank charges		9,388	7,066
Insurance		4,205	3,630
Provision for obsolete stock	9.1	707	1,907
Impairment allowance against advance income tax	11.2	307	2,488
Training expenses		2,348	4,391
Honoraria to article writers		663	579
Sports and recreation		1,362	1,374
Loss on sale of property and equipment - net	5.2.2	66	-
Fixed assets written off		-	502
Net deficit from Continuing Professional Development (CPD) activities and other events	29.3	13,565	3,210
Members Golden Jubilee celebration		-	3,191
Net deficit from FRED Conference		-	2,173
Registration fee - World Congress of Accountants		-	1,249
Dubai branch office registration expenses		2,155	-
Sundry expenses		3,313	2,986
		<u>55,018</u>	<u>50,567</u>
<b>29.1 Fee to professional bodies</b>			
<b>International bodies</b>			
Accounting & Auditing Organization For Islamic Financial Institutions (AAOIFI)		771	569
Chartered Accountants Worldwide (CAW)		2,123	1,713
Confederation of Asian and Pacific Accountants (CAPA)		1,262	1,083
International Federation of Accountants (IFAC)		4,197	3,563
South Asian Federation of Accountants (SAFA)		370	298
<b>Local body</b>			
Pakistan Institute of Corporate Governance (PICG)		105	100
		<u>8,828</u>	<u>7,326</u>

	2020	2019
	----- Rs. '000 -----	
<b>29.2 Auditors' remuneration</b>		
Audit fee:		
Shabbir Kasbati	423	385
Syed Aftab Hameed	423	385
	846	770
Out of pocket and other expenses	247	289
	<u>1,093</u>	<u>1,059</u>
<b>29.3 Net (deficit) from Continuing Professional Development (CPD) activities and other events</b>		
Contributions from members, sponsors and others	17,395	63,908
Less: expenses incurred	(30,960)	(67,118)
	<u>(13,565)</u>	<u>(3,210)</u>
<b>30 INCOME FROM INVESTMENTS</b>		
General Fund		
Markup / profit on:		
Certificates of Islamic Investment	64,392	29,073
Pakistan Investment Bonds	8,899	9,536
Saving accounts	17,666	10,167
	90,957	48,776
Specific Fund	598	418
Endowment Funds	16,868	11,023
Southern Regional Committee	2,683	1,347
Northern Regional Committee	850	380
Benevolent Fund	18,050	11,832
	<u>130,006</u>	<u>73,776</u>
<b>31 CASH AND CASH EQUIVALENTS</b>		
For the purpose of statement of cash flows, cash and cash equivalents comprise of following:		
Cash and bank balances	37,324	20,627
Short term investments realisable within three months	70,024	436,066
	<u>107,348</u>	<u>456,693</u>



## 32 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 transactions with related parties are as follows:

Relationship with the Institute	Nature of transactions	2020	2019
		Rs. '000	
<b>Staff retirement benefit plans</b>	Contribution paid to: Provident Fund	19,505	18,174
<b>Secretary, Executive Directors, Directors and Other Executives</b>	- Consideration received against sale of fixed assets (note 5.2.2)	2,823	5,254
	- Managerial remuneration	173,924	168,675
<b>Members of the council</b>	- Membership fee received	756	613
	- RAET annual renewal fee received	590	429

**32.1** Details of expenses incurred in respect of traveling of members of the council, members of the committees, Secretary, Executive Directors, Directors and Other Executives of the Institute are disclosed in note 24.

**32.2** Key management personnel are those executives 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.

## 33. REMUNERATION AND BENEFITS OF SECRETARY, EXECUTIVE DIRECTORS, DIRECTORS AND OTHER EXECUTIVES

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

	Secretary		Executive Directors, Directors and Other Executives	
	2020	2019	2020	2019
	Rs. '000			
Managerial remuneration	13,894	12,338	160,030	156,337
Defined contribution plan - employee provident fund	833	748	8,454	8,207
Annual membership fee	27	24	683	590
Leave encashment	-	680	1,216	483
Fuel, maintenance and utilities	392	302	4,929	5,133
	15,146	14,092	175,312	170,750
Number of persons	1	2	43	41

Note: 33.1

**33.1** Last year Secretary/Chief Operating Officer, Mr. Abdul Malik resigned w.e.f January 4, 2019 and the Institute appointed Mr. Syed Masood Akhtar (Formerly, Executive Director - Examination) as Secretary w.e.f. from March 27, 2019.

**33.2** 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.

**33.3** The Secretary, Executive Directors, Directors and other executives of the Institute are also provided with the Institute's maintained cars/monetization allowance in lieu thereof.

#### **34. 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:

##### **34.1 Service segments**

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

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

##### **34.1.1 Basis of allocation**

Services 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.

##### **34.1.2 Segment revenues and results**

###### **2020**

Income

- from members

- from students

- others

Expenditure (note 34.1.3)

Income from investments and deficit on remeasurement of investment - unallocated

Excess of income over expenditure

Examination	Education	Membership	General Services	Total
----- Rs. '000 -----				
-	-	218,632	-	218,632
600,227	194,281	-	-	794,508
-	-	-	19,207	19,207
600,227	194,281	218,632	19,207	1,032,347
(302,288)	(173,092)	(230,084)	(260,805)	(966,269)
				66,078
				129,994
				196,072

###### **2019**

Income

- from members

- from students

- others

Expenditure (note 34.1.4)

Income from investments and deficit on remeasurement of investment - unallocated

Excess of income over expenditure

-	-	187,213	-	187,213
663,570	163,132	-	-	826,702
-	-	-	37,213	37,213
663,570	163,132	187,213	37,213	1,051,128
(316,130)	(168,673)	(205,135)	(243,612)	(933,550)
				117,578
				73,241
				190,819

**34.1.3 Expenditure****2020**

	Examination	Education	Membership	General Services	Total
	----- Rs. '000 -----				
Salaries, allowances and other benefits	87,675	64,887	115,049	137,533	405,144
Examination charges	163,091	-	-	-	163,091
Depreciation	8,900	5,933	8,052	19,495	42,380
Traveling and related expenses	469	515	18,129	1,094	20,207
Study packs and other publications	-	44,956	607	6,566	52,129
Utilities	6,244	4,162	5,649	13,676	29,731
Network and communication	4,025	2,683	3,641	8,816	19,165
Repairs and maintenance	11,202	7,467	10,134	24,536	53,339
Printing and stationery	2,379	5,951	2,601	4,327	15,258
Rent, rates and taxes	23	7	21	18,217	18,268
Advertisement and marketing	-	6,971	-	3,461	10,432
Amortisation of intangible assets	629	419	569	1,378	2,995
Financial assistance to students	-	11,295	-	-	11,295
Financial assistance to members and/or members' families	-	-	27,041	-	27,041
Members induction ceremony	4,245	-	-	-	4,245
Edhi CA talent program	-	10,752	-	-	10,752
Vehicles maintenance and running cost	2,913	1,315	3,080	3,481	10,789
Legal charges	-	-	4,464	-	4,464
Professional charges	1,717	1,145	1,554	3,761	8,177
Interest expense on lease liabilities against RoU assets	-	-	-	2,349	2,349
Others	8,776	4,634	29,493	12,115	55,018
	302,288	173,092	230,084	260,805	966,269

**34.1.4 Expenditure****2019**

	Examination	Education	Membership	General Services	Total
	----- Rs. '000 -----				
Salaries, allowances and other benefits	92,743	63,347	97,620	116,736	370,446
Examination charges	163,788	-	-	-	163,788
Depreciation	7,844	4,434	5,798	16,029	34,105
Traveling and related expenses	865	1,304	26,591	3,714	32,474
Study packs and other publications	-	44,396	-	11,101	55,497
Utilities	6,881	3,889	5,086	14,060	29,916
Network and communication	4,592	2,596	3,394	9,384	19,966
Repairs and maintenance	10,860	6,138	8,027	22,192	47,217
Printing and stationery	4,223	2,588	2,617	4,645	14,073
Rent, rates and taxes	26	16	23	20,468	20,533
Advertisement and marketing	149	15,699	328	1,672	17,848
Amortisation of intangible assets	865	489	639	1,767	3,760
Financial assistance to students	-	6,707	-	-	6,707
Financial assistance to members and/or members' families	-	-	23,155	-	23,155
Members induction ceremony	9,558	-	-	-	9,558
Edhi CA talent program	-	9,279	-	-	9,279
Vehicles maintenance and running cost	2,731	1,400	2,728	3,551	10,410
Legal charges	110	-	6,324	300	6,734
Professional charges	1,729	977	1,278	3,533	7,517
Others	9,166	5,414	21,527	14,460	50,567
	316,130	168,673	205,135	243,612	933,550

**34.1.5 Other information****2020**

	Examination	Education	Membership	General Services	Total
	----- Rs. '000 -----				
Segment assets employed	62,787	30,633	29,976	686,600	809,996
Unallocated assets					1,117,811
Total assets					<u>1,927,807</u>
Segment liabilities employed	188,573	10,499	25,039	62,034	286,145
Unallocated Liabilities - lease liabilities against RoU assets					14,709
Total liabilities					<u>300,854</u>

**2019**

Segment assets employed	42,458	23,093	35,508	645,245	746,304
Unallocated assets					862,112
Total assets					<u>1,608,416</u>
Segment liabilities employed	44,339	21,596	42,775	68,825	<u>177,535</u>

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

Unallocated assets comprise of intangibles, RoU assets, investments including accrued profit thereon and cash and bank balances.

**34.2 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) Other locations

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

**34.2.1 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.

## 34.2.2 (a) Segment revenues and results

2020	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
<b>Income</b>					
- from members	89,235	45,112	22,296	61,989	218,632
- from students	177,028	303,204	144,390	169,886	794,508
- others general services - unallocated					19,207
					1,032,347
Allocated expenditure - Members and Students	(199,830)	(228,890)	(109,856)	(166,888)	(705,464)
Unallocated expenditure - General Services					(260,805)
Total expenditure ( note 34.2.3(a))					(966,269)
Income from investments and deficit on remeasurement of investment - unallocated					129,994
Excess of income over expenditure					196,072

2019	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
<b>Income</b>					
- from members	77,093	37,149	19,072	53,899	187,213
- from students	204,281	320,245	153,260	148,916	826,702
- others general services - unallocated					37,213
					1,051,128
Allocated expenditure - Members and Students	(204,271)	(228,507)	(110,773)	(146,387)	(689,938)
Unallocated expenditure - General Services					(243,612)
Total expenditure ( note 34.2.4(a))					(933,550)
Income from investments and deficit on remeasurement of investment - unallocated					73,241
Excess of income over expenditure					190,819

## 34.2.3 (a) Expenditure

## 2020

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
Salaries, allowances and other benefits	326,393	44,527	20,440	13,784	405,144
Examination charges	37,065	62,240	29,639	34,147	163,091
Depreciation	29,975	6,561	3,247	2,597	42,380
Traveling and related expenses	9,401	7,961	1,794	1,051	20,207
Study packs and other publications	17,501	17,638	8,666	8,324	52,129
Utilities	16,125	7,055	2,350	4,201	29,731
Network and communication	14,049	2,517	1,218	1,381	19,165
Repairs and maintenance	24,826	13,413	5,022	10,078	53,339
Printing and stationery	13,154	1,569	220	315	15,258
Rent, rates and taxes	4,833	160	1,509	11,766	18,268
Advertisement and marketing	2,544	3,773	1,801	2,314	10,432
Amortisation of intangible assets	2,195	393	190	217	2,995
Financial assistance to students	477	6,979	1,477	2,362	11,295
Financial assistance to members and/or members' families	13,088	7,810	4,997	1,146	27,041
Members induction ceremony	2,725	1,520	-	-	4,245
Edhi CA talent program	4,088	2,942	1,342	2,380	10,752
Vehicles maintenance and running cost	8,678	1,593	187	331	10,789
Legal charges	4,464	-	-	-	4,464
Professional charges	5,994	1,074	520	589	8,177
Interest expense on lease liabilities against RoU assets	-	2,172	-	177	2,349
Others	31,394	11,886	5,079	6,659	55,018
Expenditure - as and where incurred	568,969	203,783	89,698	103,819	966,269
Inter-segment allocation / transfer to unallocated	(369,139)	25,107	20,158	63,069	(260,805)
Allocated expenditure - Members and Students	199,830	228,890	109,856	166,888	705,464
Unallocated expenditure - General Services					260,805
Total expenditure					966,269

## 34.2.4 (a) Expenditure

## 2019

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	----- Rs. '000 -----				
Salaries, allowances and other benefits	298,046	42,591	18,855	10,954	370,446
Examination charges	108,193	26,014	12,672	16,909	163,788
Depreciation	23,532	5,458	2,652	2,463	34,105
Traveling and related expenses	15,197	13,271	3,068	938	32,474
Study packs and other publications	16,692	19,816	9,839	9,150	55,497
Utilities	17,189	5,540	3,246	3,941	29,916
Network and communication	14,765	2,685	1,174	1,342	19,966
Repairs and maintenance	23,657	9,928	4,724	8,908	47,217
Printing and stationery	12,038	1,335	313	387	14,073
Rent, rates and taxes	4,486	4,417	154	11,476	20,533
Advertisement and marketing	4,760	6,512	3,131	3,445	17,848
Amortisation of intangible assets	2,781	506	221	252	3,760
Financial assistance to students	3,884	2,073	515	235	6,707
Financial assistance to members and/or members' families	10,695	7,415	3,112	1,933	23,155
Members induction ceremony	4,604	3,261	1,693	-	9,558
Edhi CA talent program	4,110	2,100	410	2,659	9,279
Vehicles maintenance and running cost	8,583	1,251	231	345	10,410
Legal charges	6,434	300	-	-	6,734
Professional charges	5,559	1,011	442	505	7,517
Others	36,580	3,781	4,821	5,385	50,567
Expenditure - as and where incurred	621,785	159,265	71,273	81,227	933,550
Inter-segment allocation / transfer to unallocated	(417,514)	69,242	39,500	65,160	(243,612)
Allocated expenditure - Members and Students	204,271	228,507	110,773	146,387	689,938
Unallocated expenditure - General Services					243,612
Total expenditure					933,550



## 34.2.5 (a) Other information

## 2020

	Karachi	Lahore	Islamabad & Rawalpindi	Others	Total
	Rs. '000				
Segment assets employed	250,022	503,889	35,275	20,810	809,996
Unallocated assets					1,117,811
Total assets					1,927,807
Segment liabilities employed	78,722	6,562	2,943	3,620	91,847
Unallocated liabilities					209,007
Total liabilities					300,854

## 2019

Segment assets employed	204,691	493,450	28,545	19,618	746,304
Unallocated assets					862,112
Total assets					1,608,416
Segment liabilities employed	103,265	9,637	3,361	3,391	119,654
Unallocated liabilities					57,881
Total liabilities					177,535

## 34.2.6 (a) Segment assets primarily consist of property and equipment, loans, advances and receivables. Segment liabilities comprise of creditors, accrued and other liabilities.

Unallocated assets comprise of intangibles, RoU assets, investments including accrued profit thereon and cash and bank balances.

Unallocated liabilities comprise of fee and charges received in advance and lease liabilities against RoU assets.

## 34.2.2 (b) Segment revenues and results

## Income

## 2020

	South	North	Total
	Rs. '000		
- from members	120,959	97,673	218,632
- from students	192,374	602,134	794,508
- others general services - unallocated			19,207
			1,032,347
Allocated expenditure - Members and Students	(242,400)	(463,064)	(705,464)
Unallocated expenditure - General Services			(260,805)
Total expenditure ( note 34.2.3(b))			(966,269)
Income from investments and deficit on remeasurement of investment - unallocated			129,994
Excess of income over expenditure			196,072

## Income

## 2019

- from members	105,476	81,737	187,213
- from students	221,585	605,117	826,702
- others general services - unallocated			37,213
			1,051,128
Allocated expenditure - Members and Students	(245,517)	(444,421)	(689,938)
Unallocated expenditure - General Services			(243,612)
Total expenditure ( note 34.2.4(b))			(933,550)
Income from investments and deficit on remeasurement of investment - unallocated			73,241
Excess of income over expenditure			190,819

## 34.2.3 (b) Expenditure

## 2020

Salaries, allowances and other benefits
Examination charges
Depreciation
Traveling and related expenses
Study packs and other publications
Utilities
Network and communication
Repairs and maintenance
Printing and stationery
Rent, rates and taxes
Advertisement and marketing
Amortisation of intangible assets
Financial assistance to students
Financial assistance to members and/or members' families
Members induction ceremony
Edhi CA talent program
Vehicles maintenance and running cost
Legal charges
Professional charges
Interest expense on lease liabilities against right-of-use-assets
Others
Expenditure - as and where incurred
Inter-segment allocation / transfer to unallocated
Allocated expenditure - Members and Students
Unallocated expenditure - General Services
Total expenditure

South	North	Total
Rs. '000		
329,822	75,322	405,144
37,633	125,458	163,091
30,166	12,214	42,380
10,024	10,183	20,207
18,195	33,934	52,129
16,488	13,243	29,731
14,455	4,710	19,165
26,217	27,122	53,339
13,179	2,079	15,258
5,563	12,705	18,268
2,894	7,538	10,432
2,259	736	2,995
612	10,683	11,295
13,088	13,953	27,041
2,725	1,520	4,245
4,092	6,660	10,752
8,708	2,081	10,789
4,464	-	4,464
6,167	2,010	8,177
177	2,172	2,349
30,225	24,793	55,018
577,153	389,116	966,269
(334,753)	73,948	(260,805)
242,400	463,064	705,464
		260,805
		966,269

## 34.2.4 (b) Expenditure

## 2019

Salaries, allowances and other benefits
Examination charges
Depreciation
Traveling and related expenses
Study packs and other publications
Utilities
Network and communication
Repairs and maintenance
Printing and stationery
Rent, rates and taxes
Advertisement and marketing
Amortisation of intangible assets
Financial assistance to students
Financial assistance to members and/or members' families
Members induction ceremony
Edhi CA talent program
Vehicles maintenance and running cost
Legal charges
Professional charges
Others
Expenditure - as and where incurred
Inter-segment allocation/transfer to unallocated
Allocated expenditure - Members and Students
Unallocated expenditure - General Services
Total expenditure

South	North	Total
Rs. '000		
300,722	69,724	370,446
111,002	52,786	163,788
23,720	10,385	34,105
15,533	16,941	32,474
17,778	37,719	55,497
17,572	12,344	29,916
15,184	4,782	19,966
24,986	22,231	47,217
12,115	1,958	14,073
5,955	14,578	20,533
5,412	12,436	17,848
2,859	901	3,760
3,884	2,823	6,707
10,695	12,460	23,155
4,604	4,954	9,558
4,243	5,036	9,279
8,627	1,783	10,410
6,434	300	6,734
5,717	1,800	7,517
37,431	13,136	50,567
634,473	299,077	933,550
(388,956)	145,344	(243,612)
245,517	444,421	689,938
		243,612
		933,550

## 34.2.5 (b) Other information

## 2020

	South	North	Total
Segment assets employed	251,238	558,758	809,996
Unallocated assets			1,117,811
Total assets			1,927,807

Segment liabilities employed	79,667	12,180	91,847
Unallocated liabilities			209,007
Total liabilities			300,854

## 2019

Segment assets employed	206,002	540,302	746,304
Unallocated assets			862,112
Total assets			1,608,416

Segment liabilities employed	104,040	15,614	119,654
Unallocated liabilities			57,881
Total liabilities			177,535

## 34.2.6 (b) Segment assets primarily consist of property and equipment, loans, advances and receivables. Segment liabilities comprise of creditors, accrued and other liabilities.

Unallocated assets comprise of intangibles, RoU assets, investments including accrued profit thereon and cash and bank balances.

Unallocated liabilities comprise of fee and charges received in advance and lease liabilities against RoU assets.

## 35. Financial instruments by category

## 2020

	Amortised Cost	FVOCI - equity instruments	Total
Long term investments - Debt securities	283,826	-	283,826
Long term investments - Equity securities	-	4,545	4,545
Loans and deposits	6,185	-	6,185
Short term investments - Debt securities	767,122	-	767,122
Other receivables	9,805	-	9,805
Accrued income on investments	7,855	-	7,855
Bank balances	36,964	-	36,964
	1,111,757	4,545	1,116,302

Lease liabilities against RoU assets	14,709	-	14,709
Creditors, accrued and other liabilities	91,847	-	91,847
	106,556	-	106,556

## 2019

	Amortised Cost	FVOCI - equity instruments	Total
Long term investments - Debt securities	342,138	-	342,138
Long term investments - Equity securities	-	4,557	4,557
Loans and deposits	5,707	-	5,707
Short term investments - Debt securities	478,403	-	478,403
Other receivables	15,369	-	15,369
Accrued income on investments	9,589	-	9,589
Bank balances	19,730	-	19,730
	870,936	4,557	875,493

Creditors, accrued and other liabilities	119,654	-	119,654
--	---------	---	---------

## 36. FINANCIAL RISK MANAGEMENT

### 36.1 Financial risk factors

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

- (a) credit risk;
- (b) liquidity risk; and
- (c) 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.

Financial 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. 1,116.302 million (2019: Rs. 875.493 million) as detailed in note 35, those that are subject to credit risk aggregate to Rs. 945.951 million (2019: Rs. 657.235 million).

The credit risk on liquid funds maintained with banks / financial institutions and investments was approximately 85% (2019: 75%) 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:

	Note	2020	2019
		----- Rs. '000 -----	
Long term investments	36.1.1	158,000	178,259
Loans and deposits		6,185	5,707
Short term investments	36.1.1	733,953	436,270
Loans and other receivables		9,805	15,369
Accrued Income on investments		1,044	1,900
Bank balances		36,964	19,730
		<u>945,951</u>	<u>657,235</u>

**36.1.1** 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 and adequate balance sheet liquidity & solvency ratios. As at June 30, 2020 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.

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**Foreign exchange 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 US Dollar and payables in foreign currencies. The Institute's exposure to foreign exchange risk at the reporting date is as follows:

	June 2020							
	Rupee Equivalent	U.S. Dollars	British Pound	Saudi Riyal	UAE Dirham	EURO	Nepali Rupees	Canadian Dollars
Cash and bank balances	1,827,389	10,874	-	-	-	-	-	-
Creditors, accrued expenses and other liabilities	(2,163,769)	(6,650)	(698)	(20,133)	-	-	-	-
Net Exposure	(336,380)	4,224	(698)	(20,133)	-	-	-	-

	June 2019							
	Rupee Equivalent	U.S. Dollars	British Pound	Saudi Riyal	UAE Dirham	EURO	Nepali Rupees	Canadian Dollars
Cash and bank balances	2,075,610	11,387	380	-	2,659	625	2,150	-
Creditors, accrued expenses and other liabilities	(2,526,208)	(4,450)	(1,392)	(20,133)	-	-	-	(5,500)
Net Exposure	(450,598)	6,937	(1,012)	(20,133)	2,659	625	2,150	(5,500)

	Reporting date rate	
	2020	2019
The following significant exchange rates have been applied:		
US Dollar to Rupee	168.05	160.05
British Pound to Rupee	206.50	203.01
UAE Dirham to Rupee	45.75	43.57
Saudi Riyal to Rupee	44.80	42.68
Euro to Rupee	188.61	182.32
Nepali Rupee to Rupee	1.41	1.45
Canadian Dollar to Rupee	122.90	122.21

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, 2020, 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 increased / (decreased) by the amounts shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

	2020	2019
	----- Rs. '000 -----	
<b>Effect on income for the year:</b>		
US Dollar to Rupee	71	111
British Pound to Rupee	(14)	(21)
Saudi Riyal to Rupee	(90)	11
Canadian Dollar to Rupee	-	(67)

### 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:

	2020	2019
	----- Rs. '000 -----	
<b>Fixed rate instruments</b>		
Government securities	158,995	206,012
Certificates of deposit / investment	21,826	20,259
Certificates of Islamic Investment	70,024	436,270
<b>Variable rate instruments</b>		
Certificates of Islamic Investments	800,103	158,000
Balances maintained with banks	33,366	14,449

The interest / profit rates 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, 2020, if the interest rate on the Institute's investments and balances in saving bank accounts had been higher / (lower) by 100 basis point all other variables held constant, the income for the year would have been higher / (lower) by Rs. 8.34 million (2019: Rs. 1.72 million) mainly as a result of higher / (lower) interest income.

## 36.2 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. 4.545 million (2019: Rs. 4.557 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:

- Defence Saving Certificates that are carried at amortised cost, using the effective yield method, aggregating Rs. Nil (2019: Rs. 5.765 million) as against their aggregate fair value of Rs. Nil (2019: Rs. 5.530 million); and
- Pakistan Investment Bonds that are carried at amortised cost, using the effective yield method, aggregating Rs. 158.995 million (2019: Rs. 200.247) as against their aggregate fair value of Rs. 160.228 million (2019: Rs. 176.963 million).

## 36.3 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 other than those already disclosed in note 36.2 of these financial statements.

### 37. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and / or re-classified for the purpose of more appropriate presentation and comparison. Following major re-classifications have been made during the period:

S. No.	From	To	Amount Rs. '000
1	Network and communication (Classified as Service / Operational expenditures)	Professional Charges (Classified as Service / Operational expenditures)	1,534
2	Online education and research facility (Classified as Service / Operational expenditures in Others)	Professional Charges (Classified as Service / Operational expenditures)	640
		Network and communication (Classified as Service / Operational expenditures)	2,113

### 38. COVID-19 PANDEMIC

COVID-19 has been declared pandemic by World Health Organization (WHO) and has affected all the businesses around the world in one way or the other. The Council of the Institute is closely monitoring the situation and its impact on the Institute's operations. Due to COVID-19 our AFC Spring 2020 and AFC & CFAP/MSA Summer 2020 examinations were cancelled. The cancellation of CFAP/MSA Summer 2020 examinations have impacted timing and numbers of new members joining the Institute in 2020-21. The cancellation has also impacted the examination income for the year 2019-20. COVID-19 may also impact fresh student intake and exam sittings during the year 2020-21.

### 39. NUMBER OF EMPLOYEES

The Institute had 233 (2019: 232) full time employees and 6 (2019: 5) part time employees as at June 30, 2020.

### 40. DATE OF AUTHORISATION FOR ISSUE

The Council of the Institute authorized these financial statements for issue on September 4, 2020.

CHIEF FINANCIAL OFFICER

SECRETARY

PRESIDENT



## **OTHER INFORMATION**

# ICAP Events

## Members connect

**UK Chapter of ICAP members networking dinner:** UK Chapter of ICAP members arranged a networking dinner with the President ICAP Khalilullah Shaikh in the financial district of city of London on November 7, 2019.

**Session on Artificial Intelligence and Robotics in U.A.E:** Artificial Intelligence (AI) is the most powerful technology of the 21<sup>st</sup> Century. Given the relevance of this topic to the members, UAE Chapter of ICAP Members organised a session to share expert knowledge and raise awareness amongst its members on the importance of these disrupting technologies, so they can be better prepared to adjust to emerging technologies.

**Sports day event, Multan:** The members in Multan organised cricket match series with UBL on December 8, 2019 at Zawari Cricket Academy, Multan playground to help members unwind from their daily routine. ICAP members actively participated in the event. The event was sponsored by UBL. Two teams, ICAP Multan members and UBL competed for the winner's trophy. ICAP Multan members team won the series by 2/0.

**National Finance Olympiad 2019:** Pakistan's first ever finance competition, ICAP National Finance Olympiad (NFO) completed its 5 years in 2019. Launched in 2015, NFO has now become a coveted annual event of ICAP.

The uniqueness of the Competition is that it serves to build a strong connection between ICAP Members and other finance professionals in the country and instills the essence of teamwork through healthy contest. It updates the knowledge and application of Accounting, Finance and Governance standards and gives recognition to worthy talented individuals.

In 2019, along with Pakistan, UAE and KSA, the competition was open to ICAP Members and finance professionals in Qatar and Bahrain as well. Total 52 teams from industry, firms and educational institutes across Pakistan and UAE participated in the competition. EY Ford Rhodes claimed victory while Midas Safety and Heal Aid Foundation became the first and second Runner-ups, respectively.

Every year, the Committee aims to make significant improvements in the content and structure of the competition to provide the best knowledgeable and gratifying experience to the participants. In addition to the Qualifying Round, Harvard Case Study Simulation and Grand Finale, an additional assessment group activity

was introduced in NFO 2019 to make the competition more knowledgeable and interesting for the participating teams. National Finance Olympiad 2020 is scheduled in December 2020.

**IFRS workshop, UAE:** The UAE Chapter of ICAP Members organised an IFRS workshop on January 18, 2020 at Pakistan Association Dubai. The workshop aimed at sharing recent updates and changes brought by IFRS 9 - Financial Instruments, and IFRS 16 - Leases and IFRS 15 - Revenue from Contracts with Customers. Workshop involved discussion on the conceptual change IFRS has brought in recognition of revenues from contracts with customers, including the necessity of having this change addressed by reporting standards to cater to changing world of contracts in business.

**Celebrating the success of CFE writers and guidance:** Canada Chapter of ICAP Members celebrated the success of Canadian Final Examination (CFE) writers on January 19, 2020 in Mississauga, Ontario. The statistics and analyses on the success rate of ICAP members in the last CFE Exam based on CPA Canada's publications were provided followed by sharing of examination experience and useful tips by members who have attempted CFE in the past.

**UAE annual event 2020:** The UAE Chapter of ICAP Members organized its Annual Event 2020 & Awards on January 31, 2020. Around 300 members and their families attended the event. The event provided an excellent opportunity to reconnect with the fraternity. Successful launch of the Chapter's annual subscription model played a key role in re-engaging members of the community. The Chapter also recognized 10 senior members of ICAP, some of whom have completed 50 years as Qualified Members and over the years have provided professional services and contributed to the community.

**Update on Canadian Personal Income Tax:** The Canada Chapter of ICAP Members organized an event on March 12, 2020 for members about update on Canadian Personal Income Tax. Mr. Sharif Awan, Chairman, Canada Chapter of ICAP Members gave a detailed presentation about the basic details of filing, timelines, declaration of assets and property outside Canada. The presentation was followed by a detailed Q&A session.

**Qatar Chapter of ICAP Members – Networking event:** The newly elected Managing Committee of the Qatar Chapter of ICAP Members organized its inaugural event on July 24, 2020. Members were encouraged to actively participate in the activities of the Chapter. The impact of

COVID-19 on the economy and the implications under various IFRS were discussed by presenters. Additional disclosure requirements were also explained.

**Khaleej Times New Age Finance and Accounting Conference:** Khaleej Times (KT), a major publisher of English newspaper in Dubai, UAE organized two days online conference 'New Age Finance and Accounting Conference (KT – NAFA Conference)' on the 25th and 26th of August 2020. The UAE Chapter of ICAP Members was the supporting association of the KT-NAFA Conference along with other renowned professional accounting bodies and associations. The NAFA Summit brought together over 1000+ finance leaders and professionals across the Gulf Cooperation Council countries under one virtual platform. The objectives of the conference included making businesses future ready, empowering the teams and resources, bringing processes in line with the future needs of the organization, networking with industry peers and hearing the brightest minds in the industry.

## Student connect

**Mentoring session for CA female trainees, Lahore:** CA Women's Committee organised a Mentoring Session for CA Female Trainees on October 18, 2019 at ICAP Regional Office, Lahore.

**ICAP Vice President meets with SIBAU dignitaries:** Vice President Rana M. Usman Khan visited ICAP office Sukkur on November 22, 2019. He also met with Sukkur IBA University (SIBAU) representatives.

**CA Girls' Nurturing Program:** Globally, accounting profession is becoming the most preferred career choice for women. However, in Pakistan, there are only 8% women chartered accountants. This program was initiated with an objective to reach out to schools & colleges to build awareness of the CA profession amongst young girls through open-house events, ice breaker sessions at schools and arranging their visits to ICAP office so that they can make well-informed career choices as they move ahead. The program also included bringing onboard different organisations as patrons who would allow these students to get an exposure of how the corporate world works, by providing them internships, organisational visits and mentoring activities. The purpose of the program includes grooming and nurturing female students to be the successful leaders of tomorrow.

**CASA visit Dar-ul-Sukun:** In order to instill the spirit of kindness, on January 25, 2020, CASA - South visited Dar-ul-Sukun, an organisation that houses and empowers homeless children and people with disabilities.

The visit gave students the opportunity to better understand the circumstances of other people, spend some quality time with the residents and most importantly be grateful for all the blessings in their lives. The children and adults alike were extremely welcoming and gladly gave a tour of their home.

**CASA E-Sports tournament:** Chartered Accountants Students' Association - South (CASA-S) organised E-Sports Tournament on February 22 & 23, 2020 at Generation Gaming Zone. The tournament included two games namely Counter Strike 1.6 and FIFA 20. Trainees showed great interest with six teams competing in Counter Strike 1.6 and ten players participating in FIFA 20.

## Thought leadership and speaking out in public interest

**Awareness session on Controlled Foreign Company:** Southern and Northern Regional Committees taking cognisance of the potential complexities of the subject, organised an awareness session on September 23, 2019 at the ICAP offices at Karachi, Lahore and Islamabad through an interactive session, connected via video conferencing.

**ICAP Participates in Asian Oceanian Standard Setters Group meeting:** Rana M. Usman Khan and ICAP Director Technical Services Sohail Malik participated in the interim AOSSG meeting held at International Accounting Standards Board (IASB) head quarter in United Kingdom on September 29, 2019. The participants mainly discussed the recently proposed amendments in IFRS 17 Insurance Contracts. Further, participants discussed the transition impact of IFRS 9 on Banks across the globe.

**ICAP participates in World Standard-setters Conference:** The International Accounting Standards Board (IASB) hosted the annual World Standard-setters (WSS) Conference in London on September 30 and October 1, 2019. WSS is the annual gathering of accounting standard-setters from around the globe. In this year's conference, more than 150 standard-setters from 70 jurisdictions across the globe gathered. The Institute, on IASB invitation also participated in the conference.

**ICAP participates in International Forum of Accounting Standard Setters meeting:** With the conclusion of WSS, the national-standard setters from the globe held the International Forum of Accounting Standard Setters (IFASS) meeting. ICAP was represented by Rana M. Usman Khan and Director Technical Services Sohail Malik.

**Secretary General AAOIFI graces ICAP Accounting Standards Board meeting:** Omar Mustafa Ansari, Secretary General of the Accounting and Auditing



Organisation for Islamic Financial Institutions (AAOIFI), was invited to give a presentation on AAOIFI's initiatives for Islamic Financial Accounting in the meeting of the Accounting Standards Board (ASB) of ICAP held in September, 2019. ASB considered it necessary to interact and coordinate with AAOIFI to learn more about the international developments in accounting standards for Islamic financial products.

**ICAP attends Belt and Road National Accounting Standards Cooperation Forum:** On the invitation of the Ministry of Finance of the People's Republic of China, ICAP attended the first meeting of the Belt and Road National Accounting Standards Cooperation Forum (BRI Accounting Cooperation Forum). The meeting was held in China on November 7-8, 2019. Representatives of the Institute, while presenting Pakistan's accounting infrastructure and standard-setting experiences and challenges, explained the accounting regulatory system, accounting standards and accounting human resources/skills.

**ICAP delegates attended IFAC Council meeting in Canada:** The Institute's past Presidents Jafar Husain and Yacoob Suttar attended IFAC's 2019 Council meeting held on November 13-14 in Vancouver, Canada. Yacoob Suttar is the IFAC board member while Jafar Husain is the CAPA board member. They also attended Council dinner at Vancouver aquarium hosted by CPA Canada.

**Appointment at IFAC Membership Committee:** The International Federation of Accountants (IFAC) has appointed Khalid Rahman, FCA, Council member and Chairman PAIB Committee as member of its Membership Committee for the term 2020.

**President ICAP attended SAFA Event 2019 in Bangladesh:** President ICAP Khalilullah Shaikh attended South Asian Federation of Accountants (SAFA) Board & Assembly Meetings along with the SAFA International Conference 2019, the 19th Institute of Chartered Accountants of Bangladesh (ICAB) National Awards for Best Presented Annual Reports 2018 ceremony, the SAFA Best Presented Annual Report Awards and SAARC Anniversary Award for Corporate Governance Disclosures 2018 ceremony organised by the ICAB on November 29 and 30, 2019.

**Engagement with University of Sindh:** Prof. Dr. Fateh Muhammad Burfat, Vice Chancellor University of Sindh and Syed Zain ul Abideen Shah, Director Finance University of Sindh visited the Institute's head office, Karachi on December 5, 2019 and met with ICAP senior staff members. The University of Sindh delegates showed their interest in strategically collaborating with ICAP in the areas of education and assisting it in outreach activities in Hyderabad region. They invited the ICAP

team to visit the University of Sindh to explore new avenues of mutual interest.

**Workshop on Professional Development of Co-Examiners and Faculty Members:** ICAP, in collaboration with the University of Karachi (UoK) and Commerce Professors' Association (CPA), organised two days' workshop on Professional Development of Co-Examiners and Faculty Members of UoK's Affiliated Colleges on January 14 & 15, 2020 at ICAP head office, Karachi. The workshop aimed at capacity building of the participants and sharing expert knowledge for imparting quality education through consistency, fairness and uniformity in the assessment process. The participants were provided with hands-on knowledge on modern day techniques of assessment, challenges faced by examiners while assessing examination papers, prioritising and organising key tasks imperative to assessment of examination papers and efficient marking system ensuring transparency and fairness.

**President's meeting with Ambassador of Pakistan at UAE:** ICAP delegation called on Ghulam Dastgir, Ambassador of Pakistan to the UAE, at Pakistan House, Abu Dhabi on February 1, 2020. ICAP delegation included Khalilullah Shaikh, President ICAP, Ashfaq Yousuf Tola, Chairman OCC and Council member ICAP, Irfan B. Shaikh, then Chairman and Azhar Iqbal, then Secretary UAE Chapter of ICAP members. The delegation exchanged views with the ambassador on matters of mutual interest including strengthening the bond with Pakistani CA community.

**Seminar on Tax Laws (Second Amendment) Ordinance, 2019 & Key Withholding Tax Provisions:** The Institute organized a seminar on provisions inserted through Tax Laws (Second Amendment) Ordinance, 2019 and on withholding taxes on January 29, 2020 at ICAP office, Lahore. Comprehensive presentations on withholding taxes in accordance with Income Tax and Sales Tax Laws, E-Filing of Returns and changes inserted through Tax Laws (Second Amendment) Ordinance 2019 were delivered

**President ICAP & Council Members attended SAFA Board, Assembly & Committee meetings:** President ICAP Khalilullah Shaikh, attended 61st SAFA Board & 92nd Assembly Meeting held on February 9, 2020 through video conferencing. Ashfaq Yousuf Tola, Council member, also attended the SAFA Board and Assembly meetings as Technical Advisor.

**Council Member ICAP Ashfaq Yousuf Tola elected as Convener of the SAFA Task Force on Anti Money Laundering:** SAFA Board at its 61st meeting held on February 9, 2020 has elected Ashfaq Yousuf Tola, Council Member of The Institute of Chartered



Accountants of Pakistan (ICAP) as Convener of the SAFA Task Force on Anti Money Laundering.

**Seminar on Broadening Tax Base in Current Economic Scenario:** CPD Committee Multan organised a seminar on Broadening Tax Base in Current Economic Scenario at ICAP regional office, Multan on February 8, 2020. The seminar was attended by around 20 participants.

**ICAP participates in 7<sup>th</sup> Deans & Directors' Conference 2020:** The Institute participated in the 7<sup>th</sup> Deans & Directors' Conference 2020, organised by National Business Education & Accreditation Council (NBEAC), Higher Education Commission (HEC), on February 17-18, 2020 in Islamabad. The theme of the conference was 'Enhancing Quality and Inclusivity in Business Education through Engagement.' The Council members spoke at length about the strengths of ICAP, and what it can bring to the table in producing quality business professionals at a panel discussion on 'Policy Round table; Leveraging the strength of broad based national collaborations to impact business education'. They reflected upon the increasing role of digital technology at the workplace and how it has/will continue to transform the way work is done and consequently, the skillset business professionals require.

**ICAP organised Industry Specific Workshop on Pharmaceutical Sector:** The CPD Committee organised an Industry Specific Workshop Series, the first of which was based on the Pharmaceutical Sector on February 28-29, 2020 at ICAP Head office, Karachi. It was attended by 47 participants. The concept of the program was to familiarise the participants with industry specific knowledge such as the sector specific legal compliance, business processes, finance expectations and business dynamics. The Industry Specific Workshop on Pharmaceutical Sector was based on the Pharmaceutical Industry Guidelines issued by ICAP Professional Accountants in Business (PAIB) Committee and provided a unique opportunity to interact, learn and draw benefit from experienced professionals of the Pharma Sector.

**ICAP delegation meets President of Pakistan:** A delegation led by President ICAP Khalilullah Shaikh called on His Excellency, President of Pakistan, Dr. Arif Alvi to share various initiatives of ICAP for the development of accounting and auditing profession in Pakistan. Vice President ICAP Rana M. Usman Khan and Council Members Ashfaq Yousuf Tola and Siraj Ahmad were also present at the occasion. Dr. Alvi lauded the role of ICAP in the economic development of the country and assured his complete support to the Institute in all endeavors.

**President's visit to Balochistan:** President ICAP on his two day visit to Balochistan met with various government

officials and interacted with members of academia and students. The important meetings included:

1. Meeting with Governor Balochistan, Justice (R) Amanullah Khan Yasin Zai.
2. Visit to Ministry of Finance, Balochistan and meeting with Secretary Finance Noor-ul-Haque Baloch and Special Secretary Finance Lal Jan Jafar.
3. Meeting with Sardar Yar Muhammad Rind, Education Minister and Muhammad Hashim Ghilzai, Secretary Education.
4. Visit to University of Balochistan and meeting with Vice Chancellor Prof. Dr. Shafiq ur Rehman and other senior officials of the University.
5. Visit to Balochistan University of Information Technology, Engineering & Management Sciences (BUITEMS) and meeting with Pro Vice Chancellor BUITEMS Dr. Faisal Ahmad Khan and other senior officials of the University.

During the meetings it was resolved that avenues for providing greater access and facilities to talented students in the region would be explored to help them pursue the signature CA Pakistan qualification. Officials from the Institute and Provincial Ministries discussed the possible avenues of mutual collaboration and avenues for development of the accounting profession in the province.

**Visit to HEC:** President ICAP, Khalilullah Shaikh visited Higher Education Commission (HEC) in Islamabad and met HEC Chairman Dr. Tariq Banuri. They discussed matters related to accountancy profession and collaboration between the two national institutions. The President discussed the issues being faced by members and students of ICAP who wish to pursue higher education at local Universities. He emphasized the need to bring flexibility in the framework of higher education to facilitate such members and students.

**Overseas Coordination Committee's Drive on COVID-19:** In the wake of the rising pandemic that has affected countries around the globe, Overseas Coordination Committee (OCC) initiated a drive to reach out to Overseas Chapters of ICAP Members to assess the impact of COVID-19 on the Institute's fraternity overseas and to determine how ICAP can assist its overseas membership in such difficult and unprecedented times. The sessions were aimed to determine the steps the Overseas Chapters of ICAP Members are planning or taking to support ICAP members based in their respective jurisdictions and also to determine the difficulties they are facing due to this pandemic. During these meetings, the Chairman OCC emphasized on the need to keep a proactive approach in preparing for the possible adverse impacts this pandemic will have on the economy worldwide.

# MEETS & EVENTS

## NATIONAL FINANCE OLYMPIAD 2019





## ICAP DELEGATION

ICAP Delegation meet President of Pakistan Arif Alvi



President ICAP meeting with Chairman HEC



Meet your representative session Peshawar





**PRESIDENT ICAP'S VISIT TO BALOCHISTAN**



## SIGNING CEREMONIES

### Establishment of ICAP-IBA Research unit (IIRU)



### Implementation of SAP ERP & SLCM



### Group Health Insurance and Life Insurance for ICAP members





## THOUGHT LEADERSHIP WEBINARS

### Webinar Series on Pakistan & International Economy: Post COVID-19



### Webinars on Potential Impact of COVID-19 on the Profession



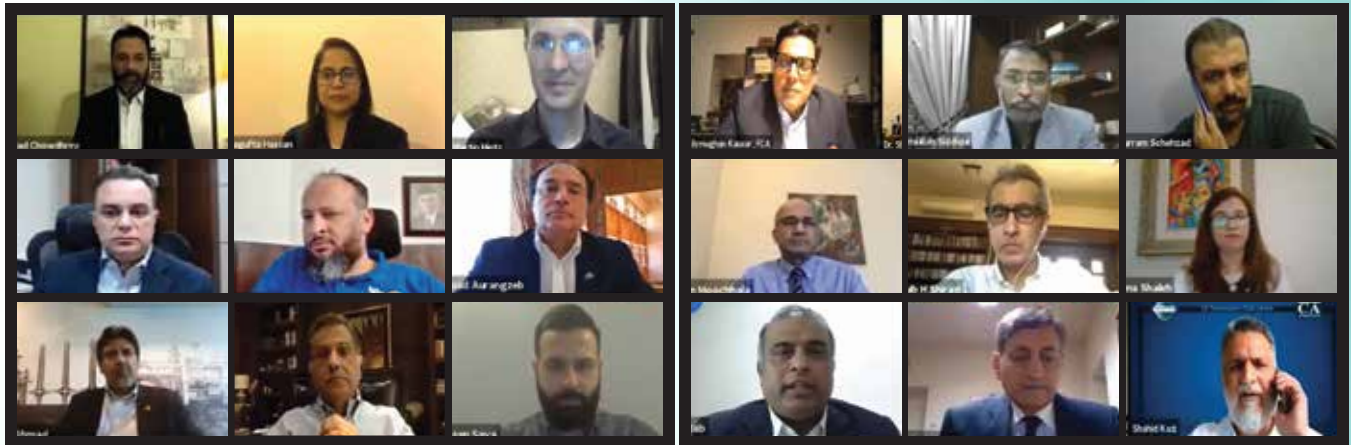
### Webinars on Digitalization of the Accounting Profession



### Webinars with Industry Leaders







### Post Budget Conference 2020: Pakistan Post COVID-19 Business and Economic Measures



### Provincial Post Budget Conference 2020





## THOUGHT LEADERSHIP SEMINARS





## CA WOMEN'S COMMITTEE

### Launch of Women Directory



### IFAC Board Member Attends CA Women's Committee Meeting



### CA Women's Day Celebrations 2020





## INAUGURAL CEREMONIES

### New Members' Area Karachi





## City Library Rawalpindi



## OVERSEAS ENGAGEMENT

## Meetings with Pakistan Ambassador to UAE



## Annual Dinner of the ICAP UAE Chapter



# INTERNATIONAL ENGAGEMENT

## Representation in SAFA



## ICAP's representation in IFAC & CAW





# STUDENT SECTION

## Trainee's Induction Fair at Karachi, Lahore, Islamabad & Faisalabad



## Professional Development Activity for Trainee Students in Lahore & Karachi



## CA Girls Nurturing Program session



## Gold Medals & Merit Certificates

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

### Gold Medalists

#### CFAP & MSA – Summer 2019



**Abdul Haseeb Ijaz**  
S/o Ijaz Hussain  
Awarded **ICAP Gold Medal (Dewan Mushtaq Group)** for outstanding performance in the subject of Advanced Accounting & Financial Reporting of CFAP examination.



**Muhammad Arslan**  
S/o Muhammad Ayaz  
Awarded **ICAP - Irtiza Husain Gold Medal** for outstanding performance in the subject of Corporate Laws of CFAP examination.



**Syed Hassan Raza**  
S/o Syed Ali Raza  
Awarded **ICAP - S. A. Salam Memorial Gold Medal** for outstanding performance in the subject of Business Management and Strategy of CFAP examination.



**Hassan Mujtaba**  
S/o Ghulam Mujtaba Siddiqi  
Awarded **ICAP - Osman Ali Gold Medal** for outstanding performance in the subject of Business Finance Decisions of CFAP examination.



**Muhammad Zohaib Kamran**  
S/o Muhammad Kamran Hussain  
Awarded **ICAP - J P Patel Memorial Gold Medal** for outstanding performance in the subject of Financial Reporting and Assurance Professional Competence of MSA examination.



**Syed Muhammad Murtaza Naqvi**  
S/o Syed Tanveer Alam Naqvi  
Awarded **ICAP - Ebrahim S. H. Dahodwala Gold Medal** on the basis of outstanding performances in all papers of CA program.

#### CFAP & MSA – Winter 2019



**Kiran Shahid Khan**  
D/o Muhammad Shahid Khan  
Awarded **ICAP Gold Medal (Dewan Mushtaq Group)** for outstanding performance in the subject of Advanced Accounting & Financial Reporting of CFAP examination.



**Hamza Naeem**  
S/o Naeem Ahmed  
Awarded **ICAP - Bhimji Gold Medal** for outstanding performance in the subject of Advanced Taxation of CFAP examination.



**Haider Ali**  
S/o Muhammad Hussain  
Awarded **ICAP - Irtiza Husain Gold Medal** for outstanding performance in the subject of Corporate Laws of CFAP examination.



**Wajahat Siddique**  
S/o Muhammad Siddique  
Awarded **ICAP - J P Patel Memorial Gold Medal** for outstanding performance in the subject of Financial Reporting and Assurance Professional Competence of MSA examination.



**Zain Najam UI Tariq**  
S/o Tariq Masood Mirza  
Awarded **ICAP - S. A. Salam Memorial Gold Medal** for outstanding performance in the subject of Business Management and Strategy of CFAP examination.



**Sidrah Shaikh**  
D/o Abdul Majeed Shaikh  
Awarded **ICAP - Ebrahim S. H. Dahodwala Gold Medal** on the basis of outstanding performances in all papers of CA program.



**Muhammad Bilal**  
S/o Abdul Rasheed  
Awarded **ICAP - Osman Ali Gold Medal** for outstanding performance in the subject of Business Finance Decisions of CFAP examination.

#### CAF – Autumn 2019



**Sohaib Tariq**  
S/o Ayyub Tariq  
Awarded **ICAP Gold Medal (Ameena Khatib Foundation)** for outstanding performance in the subject of Financial Accounting & Reporting II of CAF examination.



**Gohar Rasheed**  
S/o Muhammad Rasheed  
Awarded **ICAP - Ishfaq Ahmed Gold Medal** for his outstanding performance in the subject of Audit & Assurance of CAF examination; and

Awarded **ICAP - Kasbati Memorial Gold Medal** for outstanding performance in CAF examination.

#### CAF – Spring 2020



**Muhammad Safi Ullah Javaid**  
S/o Muhammad Javaid Khan  
Awarded **ICAP Gold Medal (Ameena Khatib Foundation)** for outstanding performance in the subject of Financial Accounting & Reporting II of CAF examination; and

Awarded **ICAP - Kasbati Memorial Gold Medal** for outstanding performance in CAF examination.



**Muhammad Talha Nadeem**  
S/o Shahid Nadeem  
Awarded **ICAP - Ishfaq Ahmed Gold Medal** for his outstanding performance in the subject of Audit & Assurance of CAF examination.

## Merit Certificates

AFC – Summer 2019	CAF – Autumn 2019
Behram Awan S/o Muhammad Saleem Malik Functional English	Ali Umer Khair S/o Raghbir Ul Khair Introduction to Accounting
Alveena D/o Muhammad Jaffer Business Communication	Asad Ali S/o Muhammad Hussain Introduction to Economics and Finance
Fizzah Ahmed D/o Sohail Ahmed Business Communication	Hamza Khalid S/o Khalid Parveez Business Law
Muhammad Hasnain Haider S/o Mubasher Ahmad Business Communication	Muhammad Safi Ullah Javaid S/o Muhammad Javaid Khan Business Management & Behavioural Studies
Usman S/o Asif Riaz Quantitative Methods	Muhammad Safi Ullah Javaid S/o Muhammad Javaid Khan Financial Accounting & Reporting I
Muhammad Faizan Arif S/o Muhammad Arif Quantitative Methods	Muhammad Ahsen Ejaz S/o Ejaz Ahmad Principles of Taxation
Muhammad Hashir Malick S/o Muhammad Zia Ud Din Malick Introduction to Information Technology	Muhammad Shayan Siddiqui S/o Muhammad Aslam Siddiqui Cost & Management Accounting
CFAP & MSA – Summer 2019	AFC – Winter 2019
Ghufran Ahmed S/o Muhammad Suhail Overall performance in CFAP examination	Aneeza Munir D/o Muhammad Munir Functional English
Syed Muhammad Murtaza Naqvi S/o Syed Tanveer Alam Naqvi Overall performance in CFAP & MSA examinations	Muhammad Faseeh S/o Muhammad Shahbaz Functional English
Aadil Sultan Khan Niazi S/o Sultan Muqarrab Khan Advanced Taxation of CFAP examination	Muhammad Usman Baig S/o Hanif Baig Functional English
Waqas Haider S/o Nazar Abbas Audit, Assurance and Related Services of CFAP examination	Aqsa Irfan D/o Muhammad Irfan Malik Business Communication
Syed Muhammad Murtaza Naqvi S/o Syed Tanveer Alam Naqvi Management Professional Competence of MSA examination	Shayan Ahmad Cheema S/o Muhammad Mateeullah Shaheen Business Communication
AFC – Autumn 2019	Syeda Sheher Bano Naqvi S/o Syed Muhammad Askari Naqvi Business Communication
Shams Omair S/o Omair Jamal Functional English	Ali Sher S/o Muhammad Boota Bajwa Quantitative Methods
Zaeem Ali Khan S/o Muhammad Nadeem Ali Khan Business Communication	Muhammad Saad Saleem S/o Muhammad Saleem Quantitative Methods
Muhammad Waleed Gaziani S/o Muhammad Junaaid Gaziani Quantitative Methods	Farrukh Ameer S/o Muhammad Ameer Introduction to Information Technology
Abdur Rafay S/o Muzammil Iqbal Introduction to Information Technology	Hamza Syed Mohammad S/o Syed Mohammad Ashiq Abdi Introduction to Information Technology

<p>Muhammad Rohaan S/o Muhammad Nauman Introduction to Information Technology</p> <p>Syed Ubaid-Ur-Rehman S/o Syed Shahid Ali Information Technology</p> <p>Wajahat Ali Malik S/o Muhammad Rafiq Introduction to Information Technology</p> <p>Zohaib Ahmad Qureshi S/o Mansoor Ahmad Qureshi Introduction to Information Technology</p> <p>Zubair Omar S/o Omar Mustafa Ansari Introduction to Information Technology</p>	<p><b>CAF – Spring 2020</b></p> <p>Zarnaab Nadeem D/o Nadeem Ehsan Introduction to Accounting</p> <p>Muhammad Ahsen Ejaz S/o Ejaz Ahmad Introduction to Economics and Finance</p> <p>Javeria Anis D/o Muhammad Anis Business Law</p> <p>Asad Ali S/o Muhammad Hussain Business Management and Behavioural Studies</p> <p>Ahmed Mubarak Janjua S/o Mubarak Ali Financial Accounting and Reporting-I</p> <p>Rana Hamza Noor S/o Muhammad Idrees Khan Principles of Taxation</p> <p>Muhammad Talha Nadeem S/o Shahid Nadeem Cost and Management Accounting</p>
<p><b>CFAP &amp; MSA – Winter 2019</b></p> <p>Abdul Haseeb Ijaz S/o Ijaz Hussain Overall performance in CFAP examination</p> <p>Bilal Ahmad S/o Muhammad Arshad Overall performance in CFAP &amp; MSA examinations</p> <p>Zain Najam Ul Tariq S/o Tariq Masood Mirza Audit, Assurance and Related Services of CFAP examination</p> <p>Hassan Mujtaba S/o Ghulam Mujtaba Siddiqi Management Professional Competence of MSA examination</p>	



# Council & Standing Committees 2019-20

## The Council

From October 26, 2019 to September 30, 2020

### Meetings Held (14)

Name	Attended
Khalilullah Shaikh, FCA (President)	14
Hina Usmani, FCA (Vice President)	14
Rana Muhammad Usman Khan, FCA (Vice President)	13
Ashfaq Yousuf Tola, FCA	12
Farrukh Rehman, FCA	12
Iftikhar Taj, FCA	14
Jafar Husain, FCA	13
Khalid Rahman, FCA	13
Muhammad Ali Latif, FCA	8
Muhammad Awais, FCA	14
M. Sharif Tabani, FCA	14
Riaz A. Rehman Chamdia, FCA	10
Saifullah, FCA	14
Sami Ullah Musa, FCA	9
Syed Najmul Hussain, FCA	10
<b>Government Nominees</b>	
Aamir Khan	0
Abdul Husain A. Basrai, FCA	12
Muhammad Javed Ghani*	0
Siraj Ahmad	5
<b>Government Nominee</b> *Muhammad Javed Ghani joined w.e.f July 7, 2020. *Nausheen Javaid Amjad joined April 8, 2020 and remained till July 4, 2020 but attended no meeting. *Syed Muhammad Shabbir Zaidi joined May 10, 2019 and remained till April 8, 2020 but attended no meeting.	

## Executive Committee

From October 26, 2019 to September 30, 2020

### Meetings Held (6)

Name	Attended
Khalilullah Shaikh, FCA (Chairman)	6
Ashfaq Yousuf Tola, FCA	4
Hina Usmani, FCA	6
Jafar Husain, FCA	6
Khalid Rahman, FCA	5
Muhammad Awais, FCA	4
Rana Muhammad Usman Khan, FCA	6
Riaz A. Rehman Chamdia, FCA	6
Saifullah, FCA	6

## Examination Committee

From October 26, 2019 to September 30, 2020

### Meetings Held (12)

Name	Attended
Hina Usmani, FCA (Chairperson)	12
Ashfaq Yousuf Tola, FCA	9
Farrukh Rehman, FCA	10
Iftikhar Taj, FCA	1
Khalid Rahman, FCA	12
Muhammad Ali Latif, FCA	6
Muhammad Awais, FCA	12
Rana Muhammad Usman Khan, FCA	12
Syed Najmul Hussain, FCA	10
As per tradition, the President does not attend the meetings of Examination Committee and Vice President chairs the meetings of the Committee.	

## Investigation Committee

From October 26, 2019 to September 30, 2020

### Meetings Held (2)

Name	Attended
Rana Muhammad Usman Khan, FCA (Chairman)	2
M. Sharif Tabani, FCA	1
Iftikhar Taj, FCA	2
Imran Afzal, FCA	2
Jalil-ur-Rehman Tarin, FCA	2
Justice Ahmad Sarwana	0
Nasimuddin Hyder, FCA	2
Riaz A. Rehman Chamdia, FCA	2
Sami Ullah Musa, FCA	1
As per tradition, the President does not attend the meetings of Investigation Committee and Vice President chairs the meetings of the Committee.	

# Boards' & Committees' Attendance 2019-20

## Accounting Standards Board

From October 26, 2019 to September 30, 2020

### Meetings Held (8)

Name	Attended
Farrukh Rehman, FCA (Chairman)	8
Aftab Mahmood Butt, FCA	5
Akhtar Javed	3
Ali Azeem Ikram, FCA	6
Asad Ali Shah, FCA	5
Ayesha Riaz, FCA*	6
Dr. Farrukh Iqbal**	0
Dr. Huma Naz Siddiqui Baqai**	2
Dr. Omer Siddique**	1
Farhan Ansari, FCA	6
Farooq Ghani***	0
Ishtiaq Ahmad***	1
Mahfooz Ahmed Bhatti	3
Mohammad Adnan Afaq, FCA	6
Mohammad Maqbool, FCA	8
Muhammad Bashir Khetran***	1
Muhammad Noman Akhter, FCA*	2
Rana Muhammad Usman Khan, FCA	7
Raymond Kotwal	2
Riaz A. Rehman Chaudhary, FCA	3
Shahzad Ahmad Awan	4
Syed Mohammad Shabbir Zaidi, FCA	0
Syed Najmul Hussain, FCA	5

\*Muhammad Noman Akhter, FCA replaced Ayesha Riaz, FCA w.e.f August 13, 2020.

\*\*Since inception of the Board till December 31, 2019, Higher Education Commission (HEC) had nominated Dr. Farrukh Iqbal, Ex-Dean IBA on a term basis. Thereafter HEC is nominating its representative on meeting-to-meeting basis as the term based nomination from HEC is in process.

\*\*\* Ishtiaq Ahmad replaced Farooq Ghani w.e.f November 22, 2019 and thereafter Ishtiaq Ahmad was replaced by Muhammad Bashir Khetran w.e.f July 16, 2020.

Malik Riaz, Ministry of Finance, attended one meeting during the period on behalf of Muhammad Bashir Khetran.

## AML Supervisory Board

From October 26, 2019 to September 30, 2020

### Meeting Held (1)

Name	Attended
Abdul Husain A. Basrai, FCA (Chairman)	1
Abdul Wahid	1
Khalid Rahman, FCA	1
Muhammad Tanveer Alam, FCA	1
Tahir Hassan, FCA	1

## Digital Assurance and Accounting Board

From October 26, 2019 to September 30, 2020

### Meetings Held (2)

Name	Attended
Rana Muhammad Usman Khan, FCA (Chairman)*	2
Omair Jamal, FCA (Secretary)**	2
Syeda Hoor-Ul-Ain (Joint Secretary)***	2
Arsalan Salahuddin Vardag, FCA	2
Asad Ali Shah, FCA	1
Ashfaq Yousuf Tola, FCA	1
Dr. Imran Batada	1
Dr. Omair Haroon	2
Haroon Tabraze, FCA	2
Iftikhar Taj, FCA	1
Khursheed Kotwal, FCA	2
Masood Pervaiz, FCA	2
Muhammad Imran, FCA	2
Muhammad Samiullah Siddiqui, FCA	2
Munawar Hussain	2
Nadeem Aslam Malik****	0
Nouman Razaq Khan, FCA	2
Riaz Nazari Chunara	2
Salim Ghauri****	0
Saqib Ahmad****	0
Syed Ali Asjad Rizvi, ACMA	1
Waqar Ahmed Khan, FCA	2

\*Rana Muhammad Usman Khan, FCA replaced Syed Najmul Hussain, FCA w.e.f February 24, 2020.

\*\*Omair Jamal, FCA replaced Amir Munsif Khan, EX-Director IT w.e.f. February 24, 2020.

\*\*\*Syeda Hoor-Ul-Ain, Manager Education & Training replaced Ahmad Salman Abbasi, Deputy Director Education & Training w.e.f. February 24, 2020.

\*\*\*\*Salim Ghauri, Saqib Ahmad, & Nadeem Aslam Malik joined the Board w.e.f. June 25, 2020, July 02, 2020, & August 13, 2020 respectively.

## Quality Assurance Board

From October 26, 2019 to September 30, 2020

### Meetings Held (10)

Name	Attended
Farid ud Din Ahmad, FCA (Chairman)	10
Abdul Samad, FCA	5
Ayaz Ahmed, FCA**	6
Hasan Bilgrami	4
Kausar Safdar, FCA*	2
Masood Karim Shaikh, FCA	4
Mohammad Almas, FCA	10
Muhammad Ashraf Bawany	2
Rashid Ibrahim, FCA	10
Syed Ahmed Abid Esq., FCA**	4
Teizoon Kisat, FCA*	4
Zulfikar Ali Causer, FCA	8

\*Kausar Safdar was appointed in place of Teizoon Kisat with effect from July 1, 2020 as the term of Teizoon Kisat expired on June 30, 2020.

\*\*The term of Ayaz Ahmed and Syed Ahmed Abid Esq. expired on June 30, 2020 in accordance with QCR Framework 2019.



## Professional Accountants in Business Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (3)

Name	Attended
Khalid Rahman, FCA (Chairman)	3
Aamer, ACA	3
Aamir Shaukat Hussain, ACA	3
Abdul Qadir, FCA	2
Ahsan Ghaffar Mehanti, FCA	2
Ali Raza, FCA	1
Aly Zainul Abedin, ACA	3
Anam Nadia Rahman, ACA	2
Faisal Masood Afzal, FCA	2
Faizan Umer Paracha, ACA	2
Fawad Aftab, FCA	3
Iftikhar Taj, FCA	3
Imdad Ali Shah, ACA	1
Imran Saleh, ACA	2
Imtiaz Jaleel, FCA	1
Kamran Shahzad, ACA	2
Mansoor Zaighum, FCA	1
Mohammad Naeem Ghouri, FCA	3
Mohammed Asif Mehdi Rizvi, FCA	1
Muhammad Fahad Asad Khan, FCA	2
Muhammad Humair, FCA	2
Muhammad Hunain, FCA	2
Muhammad Saad Faridi, FCA	1
Muhammad Samiullah, FCA	1
Muhammad Shehzad, FCA	2
Muhammad Shoaib, ACA	3
Murtaza Abbas Mooman	1
Murtaza Feroz, ACA	3
Pareesa Zahid, ACA	2
Qazi Syed Risalat Rehman, ACA	3
Rauf Ali Jan, FCA	3
Saad Usman, FCA	2
Shahid Iqbal, FCA	0
Shahid Jamal Kazi, FCA	2
Shakaib Arif, FCA	0
Shaukat Hussain, ACA	3
Syed Khalid Noor, FCA	3
Syed Moinuddin, FCA	3
Umair Ali Bhatti, ACA	1
Usama Rashid, FCA	3
Zahida Riaz, ACA	2
Zuhair Akram Shaikh, ACA	0
Zulfiqar Alam, FCA	1

## Audit Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (5)

Name	Attended
Naeem Akhtar Sheikh, FCA (Chairman)	5
Aftab Mahmood Butt, FCA	4
Khalid Rahman, FCA	5
Khursheed Kotwal, FCA	5
Muhammad Ali Latif, FCA	4

## Education &amp; Training Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (9)

Name	Attended
Farrukh Rehman, FCA (Chairman)	9
Abdul Basit, FCA	0
Abdul Rafay Siddiqui, FCA	4
Abdul Samad, FCA*	1
Ahmed Jabbar, FCA	8
Asema Ali Tapal, ACA	6
Faraz Haq	0
Haroon Tabraze, FCA	9
Hena Sadiq, FCA	8
Iftikhar Taj, FCA	5
Imran Jalil, ACA	5
Khawaja Awais Bilal, FCA	6
Khurram Muhammad Siddiqui	0
Liaqat Ali Panwar, FCA	0
M. Sharif Tabani, FCA	8
Mirza Zunair Zafar, ACA	7
Muhammad Irfan Ghaziani, FCA	8
Muhammad Hunain, FCA	6
Muhammad Sajid Hamid Kapadia, ACA	7
Rana Muhammad Usman Khan, FCA	0
Rashid Ibrahim, FCA	7
Rashid Rahman Mir, FCA	4
Riaz Nazar Ali, FCA	8
Sajid Hussain, FCA	8
Syed Fahim ul Hassan, FCA	9
Syed Masood Akhtar, FCA	0
Syed Najmul Hussain, FCA	4
Talha Ahmed, ACA	7
Usman Zulfiqar, ACA	9

\*Joining date July 27, 2020.

## HR Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (1)

Name	Attended
Khalilullah Shaikh, FCA (Chairman)	1
Hina Usmani, FCA	1
Jafar Husain, FCA	1
Rana Muhammad Usman Khan, FCA	1
Riaz A. Rehman Chaudia, FCA	0

## Auditing Standards and Ethics Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (2)

Name	Attended
Rana Muhammad Usman Khan, FCA (Chairman)	2
Ale Imran Siddiqi, FCA	2
Amin Ali, FCA	2
Arif Nazeer, FCA	2
Asad Feroze, FCA	1
Asim Nazir, FCA	2
Bilal Ali, FCA	1
Ejaz Hussain Rathore, FCA	2
Fazal Mahmood	1
Haroon Tabraze, FCA	1
Imran Jalil, ACA	2
Inam Ul Haque, FCA	2
Irfan Ilyas, FCA	1
Khurram Jameel, FCA	2
Mahfooz Ahmed Bhatti	1
Mehmood Razzak, FCA	2
Mohammad Almas, FCA	1
Naresh Kumar, ACA	2
Rashid Rahman Mir, FCA	1
Saifullah, FCA*	1
Shabbir Yunus, FCA	2
Shibli Islam Rehan, FCA	2
Shuja-Ul-Mulk, FCA	2
Sumaira Siddiqui	2
Tasneem Yusuf, FCA	2
Waqas Aftab Sheikh, FCA	0

\*Saifullah, FCA resigned from the committee w.e.f. March 2, 2020.

## Committee on Fiscal Laws

From October 26, 2019 to September 30, 2020

## Meetings Held (3)

Name	Attended
Muhammad Awais, FCA (Chairman)	3
Ahmed Jabbar, FCA	2
Amer Javed Ahmad, FCA	3
Ashfaq Yousuf Tola, FCA	3
Asif Haroon, FCA	1
Asif Siddiq, FCA	3
Ejaz Hussain Rathore, FCA	3
Faisal Iqbal Khawaja, FCA	2
Habib Fakhruddin, FCA	3
Haidar Ali Patel, FCA	3
Huma Sodher, FCA	2
Iftikhar Taj, FCA	1
Kamran Iqbal Butt, FCA	2
Kashif Maqbool Sehgal, FCA	2
Khalid Mahmood, FCA	3

Laeq Ahmed Rana, FCA	2
M. Z. Moin Mohajir, FCA	2
Mansoor Zaighum, FCA	1
Mirza Taquiuddin Ahmad, FCA	2
Mohammad Younas Ghazi, FCA	1
Mubasher Ahmed, FCA	2
Muhammad Akram, FCA	3
Muhammad Ali Latif, FCA	1
Muhammad Faisal Yaqub, ACA	3
Muhammad Furqan, ACA	2
Muhammad Mehmood Bikiya, ACA	2
Muhammad Tahir Usman, ACA	1
Nasir Gulzar, FCA	2
Nouman Razaq Khan, FCA	3
Rana Muhammad Usman Khan, FCA	0
Saad Bin Khalid, ACA	0
Sadia Nazeer, FCA	2
Shahbaz Raza, FCA	2
Shameer M. Haroon, ACA	1
Shaukat Hussain, ACA	3
Syed Athar Hussain Zaidi, FCA	2
Syed Tariq Jamil, FCA	3
Waqar Zafar Ahmed, FCA	3

## Public Sector Committee

From October 26, 2019 to September 30, 2020

## Meeting Held (1)

Name	Attended
Siraj Ahmad, FCA (Chairman)	1
Abdul Khaliq	1
Abdul Qadeer, FCA	1
Adeel Kaiser, ACA	1
Ahsan Ghaffar Mehanti, FCA	0
Arsalan Salahuddin Vardag, FCA	1
Asad Ali Shah, FCA	1
Fawad Hassan, ACA	1
Fuad Azim Hashimi, FCA	1
Jatin Kumar, ACA	1
Jehan Zeb Amin, FCA	1
Mahfooz Ahmed Bhatti	1
Mariyam Balouch, FCA	1
Muhammad Ali Qamar, FCA	0
Muhammad Arif, FCA	0
Muhammad Salman Iqbal, FCA	1
Muhammad Shahid Farooq, FCA	0
Muhammad Zubair Mahmood, FCA	0
Muhammed Arif Methani, FCA	1
Nasir Gulzar, FCA	1
Riaz Nazir Ali, FCA	1
Shah Naveed Saeed, FCA	1
Sidney Custodio Pereira, FCA	0
Sohail Abbas, FCA	1
Umar Ali	0

### Economic Advisory & Government Relationship Committee

From October 26, 2019 to September 30, 2020

#### Meetings Held (3)

Name	Attended
Abdul Husain A. Basrai, FCA (Chairman)*	0
Ashfaq Yousuf Tola, FCA (Chairman)*	3
Abdul Rab, FCA	3
Amer Haroon Tangwani, FCA	3
Farooq Lakhani**	2
Jatin Kumar, ACA	3
Khurram Shahzad**	2
Khursheed Kotwal, FCA	3
M. Shahbaz Farooq Ahsan, ACA	3
Moneeza Usman Butt, FCA	3
Mubasher Ahmed, FCA	3
Muhammad Arif Methani, FCA	3
Muhammad Awais, FCA	1
Muhammad Faisal, FCA	1
Muhammad Farid Alam, FCA	3
Muhammad Shehzad, FCA**	1
Muhammad Yasin, ACA	3
Naresh Karia, FCA	3
Nausheen Javed Ahmedjee, FCA	3
Pareesa Zahid, ACA	1
Rafqat Hussain, FCA	2
Rajlain Hassan Qazi, ACA	2
Saira Nasir, FCA	3
Samiullah Tariq**	2
Shahbaz Rana**	2
Shahid Jamal Kazi, FCA	3
Shoaib Sultan, ACA	3
Siraj Ahmad, FCA	1
Syed Amir Ali, FCA	2
Umair Raheem, ACA	3
Usama Rashid, FCA	1
Yasmeen Ahmad Zai, FCA	3

\*Ashfaq Yousuf Tola, FCA replaced Abdul Husain A. Basrai, FCA w.e.f. April 14, 2020.

\*\*Farooq Lakhani, Khurram Shahzad, Muhammad Shehzad, FCA, Samiullah Tariq & Shahbaz Rana joined w.e.f. April 20, 2020.

### Members Affairs Committee

From October 26, 2019 to September 30, 2020

#### Meetings Held (5)

Name	Attended
Jafar Husain, FCA (Chairman)	5
Ashfaq Yousuf Tola, FCA	0
Hina Usmani, FCA	5
Kamran Khan, FCA	0
Muhammad Awais, FCA	5
Syed Masood Akhtar, FCA ( Ex-officio member)	5
Syed Najmul Hussain, FCA	5

### Continuing Professional Development Committee

From October 26, 2019 to September 30, 2020

#### Meetings Held (3)

Name	Attended
Muhammad Ali Latif, FCA (Chairman)	3
Aamer, ACA	1
Abdul Basit, FCA	3
Agha Mujeeb Ahmed Khan, FCA	2
Ahmad Salman Arshad, FCA	0
Asad Feroze, FCA	1
Fawad Aftab, FCA	3
Hina Shahrukh, ACA	1
Hina Kazi, FCA	3
Jehan Zeb Amin, FCA	3
Kanwal Shahzadi, ACA	0
Khan Mohammad, FCA	2
Maria Zafar, ACA	3
Muhammad Hunain, FCA	2
Muhammad Sharif Awan, FCA	1
Muhammad Tayyab, ACA	2
Muhammad Ali Qamar, FCA	2
Rafqat Hussain, FCA	2
Saifullah, FCA	2
Saira Nasir, FCA	2
Shahid Jamal Kazi, FCA	2
Sharif Ud Din Khilji, FCA	2
Syed Muhammad Adnan Rizvi, FCA	2
Usman Zafar, ACA	3
Zahid Farooq, FCA	2

### ICAP Building Committee

From October 26, 2019 to September 30, 2020

#### Meetings Held (3)

Name	Attended
Jafar Husain, FCA (Chairman)	3
Ashfaq Yousaf Tola, FCA	3
Asim Zulfiqar Ali, FCA	0
Iftikhar Taj, FCA	2
Imran Afzal, FCA	2
Khalid Yaqoob, FCA	3
Mohammad Maqbool, FCA	0
Muhammad Ali Latif, FCA	0
Muhammad Awais, FCA	0
Naeem Akhtar Shaikh, FCA	3
Osman Hameed Chaudhri, FCA	0
Qamar-ul-Islam, FCA	3
Rana Muhammad Usman Khan, FCA	0
Sarfraz Mahmood, FCA	0

## Small &amp; Medium Practices Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (2)

Name	Attended
Saifullah, FCA (Chairman)	2
Ale Imran Siddiqi, FCA	1
Aneel Peter, FCA	1
Beerbal Mal, ACA	1
Fazal Mahmood, FCA	1
Hina Usmani, FCA	2
Imran Shaikh, ACA	1
Jawwad Sheikh, FCA	1
Khan Mohammad, FCA	2
Laeq Ahmed Rana, FCA	1
Masoom Akhtar, FCA	2
Mohammad Maqbool, FCA	2
Muhammad Ali Latif, FCA	1
Muhammad Yameen, FCA	2
Osman Hameed Chaudhri, FCA	-
Rajlain Hasan Qazi, ACA	2
Saad Ali Rana, ACA	1
Salman Jangda, ACA	1
Sharif Ud Din Khilji, FCA	2
Tanzil Ahmed, FCA	2
Zahid Farooq, FCA	2
Zeeshan Ali, FCA	1

## Benevolent Fund Management Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (2)

Name	Attended
Imran Afzal, FCA (Chairman)	2
Abdul Qadeer, FCA	2
Adeel Ahmad Khan, FCA	2
Kamran Iqbal Butt, FCA	2
Liaquat Ali, FCA	1
Mahmood A. Qureshi, FCA	1
Masoom Akhtar, FCA	1
Mohammed Rafiuddin Hyder, FCA	0
Muhammad Ahmad Shahid, FCA	0
Muhammad Ali, ACA	2
Muhammad Awais, FCA	1
Qamar ul Islam, FCA	1
Rana Muhammad Usman Khan, FCA	2
Rashid Ibrahim, FCA	1
Rashid Masood Alam, FCA	2
Rehan Mobin, FCA	2

## CA Womens' Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (6)

Name	Attended
Hina Usmani, FCA (Chairperson)	6
Aly Zainul Abedin, ACA	4
Asif Ali, ACA*	0
Ammara Shamim, ACA	1
Asma Sarwar, ACA***	4
Bushra Aslam, FCA	5
Bushra Farooq, ACA	1
Bushra, ACA	6
Farheen Atique, ACA	1
Fariha Javed, ACA	6
Fatima Anis Abubakar, FCA	4
Fouzia Quttab, ACA	0
Hena Sadiq, FCA	3
Hina Shahrukh, FCA	4
Hira Mehmood, ACA	4
Huma Javed, ACA	5
Iffat Hussain, FCA	6
Izz Ghana Ansari, ACA**	1
Kauser Parveen, FCA	4
Khursheed Kotwal, FCA	5
Maria Zafar, ACA	4
Moneeza Usman Butt, FCA	3
Muhammad Sheroz, ACA	2
Nausheen Javed Ahmedjee, FCA	5
Saairah Farooq, ACA	6
Sadia Shakoor, ACA	2
Safina Shahid, ACA	4
Saira Nasir, FCA	5
Sana Quadri, ACA	4
Sarah Tahir Siddiqui, ACA	3
Syeda Arj Naz, ACA	1
Syeda Qurat Ul Ain Hasan Zaidi, ACA	2
Tasneem Yusuf, FCA	3
Tazeen Fatima, FCA	1
Zahida Riaz, ACA	4

\*Relieved from the Committee in December 2019.

\*\*Relieved from the Committee in December 2019.

\*\*\*Joined the Committee in August 2020, earlier joined meetings by invitation.

## Marketing Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (2)

Name	Attended
Ifthikhar Taj, FCA (Chairman)	2
Ashfaq Yousuf Tola, FCA**	1
Hina Usmani, FCA	2
M. Sharif Tabani, FCA	2
Muhammad Awais, FCA	2
Saifullah, FCA**	1

\*\*Joined the Committee in January 2020.

## Practicing Members Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (2)

Name	Attended
Riaz A. Rehman Chamdia, FCA (Chairman)	2
Abbas, FCA	0
Amir Jamil Abbasi, FCA	1
Asad Feroze, FCA	2
Ejaz Hussain Rathore, FCA*	1
Hina Usmani, FCA	2
Iftikhar Taj, FCA	1
Imran Ilyas, FCA	1
Mehmood, FCA	1
Mohammad Maqbool, FCA	2
Nadeem Yousuf Adil, FCA	1
Naeem Akhtar Sheikh, FCA	2
Naseer Ahmed, ACA	1
Rafqat Hussain, FCA	2
Rashid Ibrahim, FCA	2
Rashid Rahman Mir, FCA	2
Riaz Ahmad, FCA	2
Saifullah, FCA	2
Salman Hussain, FCA	1
Syed Aftab Hameed, FCA	2
Zulfikar Ali Causer, FCA	2

\*Resigned during the year.

## Internal Audit Practices Development Committee

From June 01, 2020 to September 30, 2020

## Meetings Held (2)

Name	Attended
Hina Usmani, FCA (Chairperson)	2
Armughan Ahmed Kausar, FCA	2
Asif Raza, FCA	2
Huma Pasha, FCA	2
Iftikhar Chaudhry, FCA	2
Muhammad Shahzad Yousaf, FCA	2
Tahir Sharif, FCA	2
Zafar Hussain, FCA	2

(formed in June 2020)

## Overseas Coordination Committee

From October 26, 2019 to September 30, 2020

## Meetings Held (4)

Name	Attended
Ashfaq Yousuf Tola, FCA (Chairman)	3
Arshad, FCA	1
Asher Noor, FCA*	1
Faisal Saleem Bokhari, FCA****	1
Farrukh Rehman, FCA	2
Irfan Bashir Shaikh, FCA*	2
Khalid Rahman, FCA***	4
Khawaja Ali Usman, FCA*	0
Mohammad Nadeem, ACA*	1
Mohammad Sharif Awan, FCA**	3
Muhammad Ali Latif, FCA	1
Muhammad Awais, FCA	1
Muhammad Kamran, FCA	2
Muhammad Shoaib Jan Memon, FCA	3
Riaz A. Rehman Chamdia, FCA	4
Shafiq Ur Rehman, FCA**	2
Syed Najmul Hussain, FCA	2
Yasir Abdul Rehman, ACA**	1

\*Previous Chairman of a Chapter.  
 \*\*Existing Chairman of a Chapter.  
 \*\*\*Former Chairman of the Committee.  
 \*\*\*\*Chairman Contact Persons of ICAP.

## AUDITORS, BANKS &amp; ADVISORS

## External Auditors

Muhammad Shabbir Kasbati, FCA  
 Syed Aftab Hameed, FCA

## Legal Advisors

Bawaney & Partners  
 Nishtar & Zafar

## Tax Advisors

KPMG Taseer Hadi & Co.  
 Moore Shekha Mufti

## Banks

Al Baraka Bank  
 Bank Al Habib Limited  
 BankIslami Pakistan Limited  
 Faysal Bank Limited  
 Habib Bank Limited  
 Habib Metropolitan Bank Limited  
 MCB Bank Limited  
 Meezan Bank Limited  
 National Bank of Pakistan  
 Silk Bank Limited  
 Telenor Microfinance Bank Limited  
 United Bank Limited



**The Institute of  
Chartered Accountants  
of Pakistan**

**CA  
PAKISTAN**





**Head Office - Karachi**

Chartered Accountants Avenue, Clifton,  
Karachi-75600.  
Phone: (92-21) 99251636-39, 111000422  
Fax: (92-21) 99251626  
E-mail: info@icap.org.pk

**Regional Office - Lahore**

155-156, West Wood Colony,  
Thokar Niaz Baig, Raiwind Road, Lahore.  
Phone: (92-42) 37515910-13, 111000422  
Fax: (92-42) 35963411  
E-mail: lahore@icap.org.pk

**Islamabad**

G-10/4, Mauve Area, Islamabad.  
Phone: (92-51) 111000422  
Fax: (92-51) 9106095  
E-mail: islamabad@icap.org.pk

**Abbottabad**

Yusef Jammal Plaza, Mansehra Road,  
Abbottabad.  
Phone: (92-992) 405515  
E-mail: Abbottabad@icap.org.pk

**Faisalabad**

P 3/33 Muhammadi Colony, East Canal Road,  
Opposite Nusrat Fateh Ali Khan Underpass,  
Near Govt. College of Commerce Abdullahpur,  
Faisalabad.  
Phone: (92-41) 8531028 Fax: (92-41) 8712626  
E-mail: faisalabad@icap.org.pk

**Gujranwala**

2nd Floor, Gujranwala Business Center,  
Opposite Chamber of Commerce,  
Main G.T. Road, Gujranwala.  
Phone: (92-55) 3252710-12  
E-mail: gujranwala@icap.org.pk

**Hyderabad**

3rd Floor, Salman Icon Tower,  
Near RT Restaurant, Opposite Faysal Bank,  
Auto Bhan Road, Latifabad, Hyderabad.  
Phone: (92-22) 3821227  
E-mail: hyderabad@icap.org.pk

**Mirpur (AJK)**

Basic Health Unit (BHU) Building, Sector D,  
New City, Mirpur (AJK).  
Phone: (92-05827)-487170  
Cell: +92 346 5446690  
E-mail: mirpur@icap.org.pk

**Karachi City Office**

Al-Samad Towers, 2nd Floor,  
Plot No. SB-33, Block 13-B, Gulshan-e-Iqbal,  
Opposite Baitul Mukarram Masjid, Karachi.  
Phone: (92-21) 99333485-86  
E-mail: city.office@icap.org.pk

**Lahore City Office**

Saeed Alam Towers, 5th Floor,  
37 Commercial Zone, Liberty Market, Gulberg III,  
Lahore.  
Phone: (92-42) 35752941  
E-mail: cityoffice.lahore@icap.org.pk

**Rawalpindi City Office**

Plot No. D-21, Office No.202,  
2nd Floor 6th Road Satellite Town,  
Rawalpindi.  
Ph: (92-51) 4840453.

**Multan**

3rd Floor, Parklane Tower,  
Officers' Colony,  
Near Eid Gaah Chowk,  
Khanewal Road, Multan.  
Phone: (92-61) 6510511, 6510611  
Fax: (92-61) 6510411  
E-mail: multan@icap.org.pk

**Peshawar**

House No. 30, Old Jamrud Road,  
University Town,  
Peshawar.  
Phone: (92-91) 5851648  
Fax: (92-91) 5851649  
E-mail: peshawar@icap.org.pk

**Quetta**

Office No. 9, 1st Floor,  
Civic Business Center,  
Hali Road,  
Quetta Cantt.  
Phone: (92-81) 2865533  
E-mail: quetta@icap.org.pk

**Sukkur**

ICAP Sukkur Office,  
Room 101, Admin Block Sukkur IBA,  
Airport Road,  
Sukkur.  
Phone: (92-71) 5804421  
Cell: +92 305-3005849  
E-mail: sukkur@icap.org.pk



**The Institute of  
Chartered Accountants  
of Pakistan**