

Terms of Reference (TOR)

Digital Assurance and Accounting Board (DAAB)

Institute of Chartered Accountants of Pakistan

Objective

1. The Institute of Chartered Accountants of Pakistan (ICAP) has established Digital Assurance and Accounting Board (DAAB) with the objective to serve the public interest; to contribute policy recommendations; and to provide support towards embedding technology based solutions in accounting, assurance and various businesses.

The scope of DAAB encompasses the active contribution towards the application of emerging technologies, such as, the concepts of Artificial Intelligence, Internet of Things, Smart Contract, Smart Industry, Cyber Laws, Digital literacy and Blockchain in academia, audit firms, and industry to deal with all other cognate areas which fall under its ambit.

Functions of the DAAB

2. Following are the functions of the DAAB:
 - 2.1. To monitor the digital technologies and the trends impacting the profession and practice of Accounting.
 - 2.2. To monitor the digital technologies and trends impacting the education, training and examinations of chartered accountants.
 - 2.3. To monitor the cyber and related laws impacting the profession and practice of accounting.
 - 2.4. To identify the issues relating to Accounting, Reporting, Audit & Assurance, Data Security etc.
 - 2.5. To engage with relevant Committees internally and with standard setters, Government, regulators, industry and other accounting bodies externally, whenever necessary.
 - 2.6. To support by suggesting/ identifying key changes or issues for focus in Accounting Standards, Assurance Standards, Valuation Standards etc. to the relevant Committee(s)/ Board(s).
 - 2.7. To create and disseminate necessary technical knowledge through research, papers, journals, conferences for awareness of the concerned stakeholders.
 - 2.8. To perform any other related activity.

Communication and Reporting

3. DAAB would observe the following communication and reporting protocol:
 - 3.1 Correspondence with local and international parties including regulators on important policy matters will be done in consultation with the President of ICAP through Secretary of the Institute.
 - 3.2 DAAB shall prepare and submit, within three months, its annual report to the Council giving details of its work carried out during the year (July – June).

Composition of the Board

4. The Board shall comprise of twenty-four members. This number can be increased/ decreased with the concurrence of the President and the ratification by the Council. The chairman and members of the Board shall be nominated as follows:

- 4.1 A Member of the Council shall be the chairperson.
- 4.2 One member each from the following:
 - a. Large accounting firm (having 15 or more partners) with strong international affiliation.
 - b. Medium accounting firm with (having 9 to 14 partners) with strong local base.
 - c. Small accounting firm with (having 3 to 8 partners).
 - d. Accounting Standards Board.
 - e. Professional Accountants in Business (PAIB) Committee.
 - f. Information Technology (IT) Committee.
 - g. Education & Training Committee (ETCOM).
 - h. Economic Advisory & Government Relations Committee (EA&GR).
 - i. Fiscal Law Committee (FLC).
- 4.3 Five IT experts from amongst the non-members.
- 4.4 Three experts from educational institutions.
 - a. One each from SDAs i.e., IBA and LUMS.
 - b. One from any RAET.
- 4.5 Four members from External Organizations.
 - a. One expert from the State Bank of Pakistan (SBP).
 - b. One expert from the Securities and Exchange Commission of Pakistan (SECP).
 - c. One expert from the Institute of Cost and Management Accountants of Pakistan (ICMAP).
 - d. One expert from the Auditor's General of Pakistan (AGP).
- 4.6 Stakeholders and other experts may be invited by the Chairperson to attend meetings for discussing specific agenda items.

Term of DAAB and its members

5. The term of DAAB and its members is as follows:
 - 5.1 The DAAB shall be a perpetual board.
 - 5.2 The chairperson shall be nominated for a period of three years.
 - 5.3 Other members shall be nominated for a period of three years.

Casual Vacancy

6. In case of any vacancy the new member shall be nominated by the Chairman DAAB for remaining period of the member vacating his/her position.

Secretary

7. The Secretary of the Board shall be nominated by Secretary ICAP in consultation with Chairman of the Board.

Meetings

8. The procedure for meetings shall be as follows:
 - 8.1. The quorum of DAAB will be at least six members including the Chairperson.
 - 8.2. DAAB will meet as and when required, but should meet at least once in three months.
 - 8.3. DAAB meeting cannot be attended by proxy by any of its members.

Others

9. DAAB may also communicate between meetings by electronic or non-electronic correspondence. For example, to obtain comment on any urgent matter to poll initial views on a proposed topic in order for it to be developed appropriately for future discussion.