

Terms of Reference (TOR)

Internal Audit Practices Development Committee

The Institute of Chartered Accountants of Pakistan

Objective

1. The Institute of Chartered Accountants of Pakistan (ICAP) being the pioneer in establishing corporate governance in Pakistan is cognizant of the importance of the internal audit function/services for improving the effectiveness of governance, risk management and control processes of an organization.

ICAP has established an Internal Audit Practices Development Committee (IAPDC) to provide guidance/support to its members about the internal audit function/services so that the members associated with the internal audit function/services are able to play an effective role in their organizations.

Functions of the IAPDC

2. Following will be the functions of the Committee:
 - 2.1 To channelize its efforts towards establishment, development and growth of internal auditing profession in Pakistan.
 - 2.2 To consider and review the best practices available in the field of internal audit.
 - 2.3 To develop guidance on all internal audit related matters such as planning, execution, reporting matters, formats, checklists, etc
 - 2.4 To give opinion, views and work on any internal auditing matter referred by the members, and entities, the Council, regulatory authorities or any other statutory body / Government.
 - 2.5 To conduct research relating to internal audit function/services and other related matter(s).
 - 2.6 To organize conferences, seminars, training programs, workshops, webinars, e-learning programs, surveys on internal audit topics.
 - 2.7 To conduct Certificate Courses on topics related to internal audit.

Provided the IAPDC may form such sub committees as may be required for discharge of the above functions.

Communication and Reporting

3. Following communication and reporting protocols have to be observed:
 - 3.1 All correspondence with local and international organizations on policy matters will be done in consultation with the Committee Chairperson and President of the Institute. Further, all correspondence relating to policy matters shall be shared with the Secretary for information and record.
 - 3.2 All correspondence with local and international organizations on regular/general matters will be done in consultation with the Chairperson of the Committee.
 - 3.3 The IAPDC shall prepare an annual report summarizing the work carried out by it during the year (July to June) and submit it to the Council.
 - 3.4 In consultation with the Chairperson and the President the document finalized by the Committee may be disseminated in the following manner:
 - a. Placement on the Institute’s website;
 - b. Circulation to the membership or other stakeholders either in the soft or print form;
 - c. Publication in the print media with the web link of the document; and / or
 - d. Publication in the Institute’s magazine ‘The Pakistan Accountant’ or other national and international forums/journals.

Membership of the IAPDC

4. The Committee will comprise of ten members. This number can be increased/ decreased with the concurrence of the President and the ratification by the Council and will have the following suggested composition:
 - 4.1 A Member of the Council, as nominated by the Council, who will function as the Chairperson of the IAPDC.
 - 4.2 Other members, mostly members of the Institute, in such a composition which adequately represents both the Northern and the Southern regions of ICAP, the practicing firms and the industry.
 - 4.3 Stakeholders and other experts may be invited by the Chairperson to attend meetings for discussing specific agenda items.

Expectation from the IAPDC Members

5. The Committee members are expected to adhere to the following principles:
 - 5.1 Proactive contribution for the achievement of quality thresholds of contributions in terms of technical content, innovation, understandability and timeliness.

- 5.2 Active and constructive participation in the meetings on a regular basis.
- 5.3 Proactive feedback on issues and developments relevant to IAPDC.
- 5.4 Respect and commitment to support the reputation of IAPDC and ICAP.
- 5.5 Observance of ICAP's Code of Conduct and confidentiality.

Meetings and Proceedings of the IAPDC

- 6. The procedure for meetings will be as follows:
 - 6.1 The quorum of the Committee will be forty percent members including the Chairperson.
 - 6.2 In absence of the Chairperson for any unavoidable reason, the Chairperson may nominate any senior Committee member to chair the meeting in his/her absence.
 - 6.3 The IAPDC will meet as required, but should meet at least once in three months.
 - 6.4 Members are expected to attend all meetings. A member can resign from the Committee by submitting a written resignation to the Chairperson. The IAPDC in consultation with the President may replace members who fail to attend three consecutive meetings without leave of absence.
 - 6.5 The IAPDC members will not be represented by alternates in the Committee meeting.
 - 6.6 The Chairperson will approve the agenda for each IAPDC meeting.
 - 6.7 Agenda will be circulated preferably within seven working days before the meeting.
 - 6.8 Minutes along with action plan will be circulated within fifteen working days after the meeting.
 - 6.9 The IAPDC may also conduct business during its meetings using electronic or non-electronic correspondence. For example, to obtain response to a query or to obtain comment on any urgent matter or new or revised proposed standards or to poll initial views on a proposed topic in order for it to be developed appropriately for future discussion and/or finalization.
 - 6.10 The meetings of the IAPDC may be conducted via video conference and other alternative means, depending on the geographical spread of members.
 - 6.11 The Chairperson may hold a meeting requiring all members to attend in person if the matter in the opinion of the Chairperson is of such significance that effective discussion can only be made in person.