



Newsletter

August 2007

Vol. 30 No. 8

The Institute of Chartered Accountants of Pakistan

ICAP's Participation in Scenario Group Education Expo 2007 Exhibitions

ICAP participated in Education Exhibitions organized by Scenario Group in Gujranwala, Faisalabad and Sargodha from 9 - 14 July 2007. Prospective students and general visitors showed great interest in the profession of Chartered Accountancy. Students very much appreciated the counseling sessions of ICAP.

Zafar Iqbal Sobani Appointed on Board of PC

Zafar Iqbal Sobani, past President ICAP (2004 to 2005), has been appointed as member of the Board of Privatisation Commission by the Federal Government.

The Board of Privatisation Commission is headed by the Chairman and comprises 9 other regular members. Eight of the regular members are prominent professionals from the private sector, all of whom are serving without remuneration. All the four provinces are represented on the Board of PC. The two government members include the Chairman and the Secretary of the PC. In addition, the Secretaries of the respective Divisions whose matters are being discussed at a Board meeting are invited to be members for the issue under consideration.

Workshop on "Business Finance Decisions"

The Directorate of Education and Training is organizing whole day **workshops** on the subject of "Business Finance Decisions" at Karachi and Lahore on Aug 25, 2007 and September 1, 2007 respectively. Mr. Raza Jamil will be conducting these workshops at both venues. For further details please visit www.icap.org.pk

Council's Decisions

The following decision on professional misconduct was taken by the Council at its 189th meeting held on 8 May 2007:

Reference to the High Court:

The following irregularities in the audited accounts of a listed company for the years ended 30 September 2000 and 2001, were not addressed in the audit reports issued by Mr. Mohammed Suleman Zahid, FCA:

1. As per note 7.3 to the accounts of the listed company, for the year ended 30 September 2001, short term borrowings included bank credit facilities amounting to Rs. 246.853 million conveyed from its associated undertaking, and this relationship has not been disclosed in the accounts. Moreover, the transactions with associated undertakings (Note 31) also do not include this transaction.

The examination of the documents indicated that loans aggregating Rs. 246.853 million payable by the associated undertaking to its various banks were transferred to the listed company, because of the sole reason that the said associated undertaking and its directors, mostly common, were unable to repay the said huge loans.

These transactions were stated to have been recorded in the books of the listed company from 1998 onwards. The listed company has also paid financial charges on these loans amounting to Rs. 53.086 million during the last three years, which were not for the purpose of the business of the listed company.

The aforesaid transactions of Rs. 246.853 million were offset by the listed company in its annual audited accounts during the years 1998 to 2000, contrary to the requirements of IAS-1 and IAS-32. Annual accounts of the associated undertaking for the last four years were also not available. The listed company has also not disclosed penalty imposed by State Bank of Pakistan amounting to Rs. 22.270 million as required under the law.



2. The Company has not maintained the fixed assets register as per the requirements of Section 230(1) of the Companies Ordinance, 1984.
3. The Company has not made disclosure regarding exchange rate difference arising on foreign currency transaction as per clause (a) of Para 42 of IAS-21 (The Effects of Changes in Foreign Exchange Rates).
4. The Company in Note 2.2 to the accounts states that the financial statements have been prepared in compliance with the requirements of the Ordinance and the IAS as applicable in Pakistan. However, in Note 11.5, the Company while contradicting itself, admits to non-compliance with the requirements of IAS-16 (Property, Plant and Equipment).
5. The Company has not made disclosure of Staff Retirement benefits as required in Para 120 of IAS-19 (Employee Benefits).
6. As per Note 33 to the accounts, it has been stated that the corresponding figures have been rearranged and regrouped, wherever necessary for the purpose of comparison, but Para 40 of IAS-1 (Presentation of financial statements) does not allow such a general statement.

In view of the abovementioned irregularities, the Council concurred with the findings of the Investigation Committee that Mr. Mohammed Suleman Zahid was guilty under clause 7 of Part I of Schedule II of the C. A. Ordinance, 1961 for being grossly negligent in the conduct of his professional duties. The Council resolved to make reference to the High Court with recommendation to remove the name of Mr. Mohammed Suleman Zahid from the Register of Membership of the Institute for a period of two years.

ICAP Working Committees 2007-2008

The Working Committees of ICAP shall shortly be reconstituted for the year 2007-2008. Members interested in working on any of the Committees are requested to indicate their area of interest to Mr. Shoaib Ahmed, Senior Manager, Corporate and Legal Affairs at shoaib.ahmed@icap.org.pk by August 31, 2007.

Audit Automation Software

As published in the July 2007 issue, a good number of audit firms have obtained demo CD of the software. The institute is also in the process of obtaining details regarding similar software from a South African firm, and members will be intimated shortly. Firms interested in purchasing these softwares may express their interest by sending an email at: asif.iqbal@icap.org.pk

Welcome!

New Fellow/Associate Members

Following individuals have recently been admitted as Fellow/Associate members of the Institute:

Fellow Members

| R.No. | Name |
|-------|-------------------------|
| 2532 | Ahmad, Mirza Fazal |
| 2600 | Asghar, Khalid Ahmed |
| 2575 | Asif, Muhammad |
| 3333 | Baig, Mirza Asad Ali |
| 2626 | Butt, Naveed Saeed |
| 2434 | Gaffar, Arshad |
| 2648 | Ghaffar, Abdul |
| 2574 | Hyder, Ali |
| 3395 | Ilyas, Irfan |
| 2239 | Iqbal, Muhammad |
| 3612 | Jalal, Faisal |
| 2771 | Kamal, Salahuddin |
| 2606 | Majeed, Shahid Abdul |
| 3482 | Malik, Uzair Ahmad |
| 3428 | Raheem, Arshad |
| 2644 | Shahzad, Chowdhry Ahmed |
| 3647 | Siddiqui, Ahmer Zafar |
| 3457 | Zubair, Muhammad Usman |

Associate Members

| R.No. | Name |
|-------|----------------------|
| 5011 | Aijaz, Muhammad Adil |
| 5013 | Moosa, Hassan |
| 5012 | Naeem, Zeeshan |

Workshop on "Presentation of Financial Statements under IAS-1"

A training workshop on "Presentation of Financial Statements under IAS-1" for students, managers and partners of CA firms was held July 28, 2007 at ICAP House, Karachi, and was facilitated by Usman Ghani Akbani, FCA, Director, M. Yousuf Adil Saleem & Co., Chartered Accountants.

The core objective of the workshop was to facilitate auditors in ensuring that financial statements prepared by their clients are in accordance with IAS-1.

Condolence

The President, the Council and management of the Institute of Chartered Accountants of Pakistan express deepest sorrow on the sad demise of Council Member of ICAP Mr. Arif Mansur (Secretary Privatization Commission) and his wife Mrs. Bushra Arif Mansur in a road accident in Saudi Arabia where they had gone to perform Umrah.

May Allah grant the departed souls eternal peace, and fortitude to their family to bear this irreparable loss.



Roundtable Meeting on Quality Control Standards held at Islamabad

The Quality Assurance Board (QAB) organized the last program of the series of Roundtable Meetings on Quality Control Standards, i.e. ISQC 1 and ISA 220 on July 14, 2007 at ICAP House, Islamabad.

Syed Fahim-ul-Hassan, Partner A.F. Ferguson & Co and Mr. Muhammad Asif Iqbal, Director Professional Compliance and Evaluation, delivered presentations at the roundtable meeting. Mr. Zafar Iqbal Sobani (Chairman QAB) and Past President, ICAP was the Session Chairman.

Overall there was a good response received at these roundtable meetings, where many constructive suggestions were forwarded by the practicing members. Location wise attendance at these meetings was as follows:

| City | Date | Participants-Practicing Members | Participants-Managers | Total Participants- | Total Practicing Member in city | % of attendance of Practicing Members |
|-----------------------|----------------|---------------------------------|-----------------------|---------------------|---------------------------------|---------------------------------------|
| Karachi | Dec 12, 2006 | 49 | 14 | 63 | 283 | 17% |
| Lahore | Dec 15, 2006 | 49 | 6 | 55 | 210 | 23% |
| Multan | April 26, 2007 | 8 | 0 | 8 | 9 | 89% |
| Faisalabad | April 27, 2007 | 9 | 1 | 10 | 21 | 43% |
| Islamabad/ Rawalpindi | July 14, 2007 | 5 | 5 | 10 | 63 | 10% |
| Total | | 121 | 26 | 147 | 586 | 21% |

The QAB is actively working on formulating a strategy for adoption and implementation of ISQC 1 and will soon forward its recommendations to the Council. It should be noted that the ISQC 1 was made applicable by IFAC from June 2005 but the Institute had not yet adopted the same in view of the practical difficulties of SMPs.

Presentations at these Roundtable Meetings can be downloaded from ICAP website: www.icap.org.pk

Approved Training Organisations

In the month of July 2007 the following CA firms have become Training Organisations (TOs) and are training their students according to Training Regulation and Guidelines:

| TO Number | Approved TO | TO Status | City | Number of TO Offices |
|-----------|-----------------------------|-----------------|------------------------------|----------------------|
| TO-027 | Ahmad Usman Shabbir & Co. | Sole Proprietor | Lahore | 01 |
| TO-028 | Rizwan & Company | Sole Proprietor | Lahore | 01 |
| TO-029 | Omer Adil & Co. | Sole Proprietor | Islamabad | 01 |
| TO-030 | M. Hussain Chaudhury & Co. | Partnership | Lahore / Rawalpindi | 02 |
| TO-031 | BDO Ebrahim & Co. | Partnership | Karachi / Lahore / Islamabad | 03 |
| TO-032 | Malik & Co. | Sole Proprietor | Lahore | 01 |
| TO-033 | Shahzad Qazi & Co. | Sole Proprietor | Islamabad | 01 |
| TO-034 | Yaqub & Co. | Sole Proprietor | Faisalabad | 01 |
| TO-035 | Nadeem Ahmad & Co. | Sole Proprietor | Lahore | 01 |
| TO-036 | Muniff Ziauddin & Co. | Partnership | Karachi / Lahore / Islamabad | 03 |
| TO-037 | Mehmood Idrees Qamar & Co., | Partnership | Karachi / Lahore | 02 |
| TO-038 | Anjum Asim Shahid Rahman | Partnership | Karachi / Lahore / Islamabad | 03 |
| TO-039 | M. Ather & Co., | Partnership | Faisalabad | 01 |
| TO-040 | Agha Mujeeb & Co., | Sole Proprietor | Rawalpindi | 01 |
| TO-041 | Rauf Ayooob & Co. | Partnership | Karachi | 01 |
| TO-042 | Ahmed Mushir & Co. | Partnership | Lahore | 01 |
| TO-043 | Tahir Siddiqi & Co. | Partnership | Lahore | 01 |
| TO-044 | Sandhu & Co. | Partnership | Karachi | 01 |
| TO-045 | Jalis Ahmad & Co. | Partnership | Karachi | 01 |
| TO-046 | Waseem Siddiqi & Co. | Sole Proprietor | Islamabad | 01 |
| TO-047 | Haroon Zakaria & Company | Partnership | Karachi | 01 |
| TO-048 | Nasir & Company | Sole Proprietor | Sialkot | 01 |
| TO-049 | Akram & Comoany | Sole Proprietor | Faisalabad | 01 |
| TO-050 | M. Almas & Co. | Partnership | Lahore | 01 |
| TO-051 | Kamran & Co. | Sole Proprietor | Lahore | 01 |
| TO-052 | Salariya & Co. | Partnership | Lahore | 01 |



Job Opportunities for Chartered Accountants

Riaz Ahmad, Saqib, Gohar & Co., Chartered Accountants, a member firm of AGN International, is seeking **Audit Assurance Managers** for its, Karachi, Lahore and Faisalabad Offices.

Interested candidates are requested to submit their CVs to Manager HR at: rasg@super.net.pk

A reputable and progressive financial sector group is seeking for following positions.

- ▶ Company Secretary (Holding Company):
- ▶ CFO & Company Secretary (Nation-wide Micro Finance Bank):
- ▶ Chief Internal Auditor (Nation-wide Micro Finance Bank):

Interested candidates are requested to submit their CVs to Zia Hasan at: zia.hasan@pakoman.com

Ethics Education Toolkit Now Available on Downloadable Format

The International Accounting Education Standards Board's Ethics Education Toolkit is now available free-of-charge in a new downloadable version. The toolkit is designed to support IFAC members, associates, and accounting educators in developing high quality ethics education training programs for professional accountants and accounting students worldwide. It features a range of case studies and supporting notes, presentations, video clips, and other teaching materials. The downloadable version of the toolkit was developed to make these resources more widely available in a free electronic format.

The toolkit can be downloaded from the IFAC online bookstore (<http://www.ifac.org/store>). It is also available for purchase on CD-ROM for US\$ 25.00 plus shipping from the bookstore.

Examination Updates

- ▶ The last date of submission of Pre-entry Proficiency Test (PPT) form is August 10, 2007 with normal fee, August 17, 2007 with 100% late fee and August 24, 2007 with 200% late fee. The cost of PPT form is Rs. 150/- and PPT fee is Rs. 1650/-. Test will be held on September 10, 2007.
- ▶ The last date for change of center for Foundation/Intermediate Examination Autumn 2007 attempt is August 23, 2007. No application will be entertained after the said date.
- ▶ The admit cards for Foundation/Intermediate Examination Autumn 2007 attempt will be dispatched ten days before the commencement of Examinations. Candidates not receiving the admit card by August 27, 2007 are advised to contact ICAP, Karachi on Tel. #: 021-9251647, 9251634 or 9251627.
- ▶ Computerized PPT Admit Cards will be issued for September session

Cancellation of Registration of RAETs

Registration of the following RAETs has been cancelled as (a) and (b) have themselves requested for cancellation and (c) has not held classes for the last two sessions.

- a) Anis Hassan School of Accountancy, Hyderabad
- b) College of Accounting and Management Sciences, Hyderabad
- c) Ed-vision College of Accounting and Management Sciences, Karachi

Continuing Professional Development (CPD) Programme

| Date | Seminar / Workshop | Speaker / Session Chairman | Venue |
|-----------------|--|----------------------------|----------|
| Held | | | |
| July 14, 2007 | Seminar on Anti Money Laundering | Khawaja Waheed Raza | Lahore |
| July 21, 2007 | Financial Analysis and Business Modeling with Excel | Zahir Ali Quettawala | Karachi |
| Planned | | | |
| August 4, 2007 | Financial Analysis and Business Modeling with Excel (Repeated Session) | SBS Trainers | Karachi |
| August 9, 2007 | Chief Financial Officer-Challenges and Responsibilities | Abdul Jabbar Kasim | Karachi |
| August 16, 2007 | Risk Standards & Documentation | Asad Ali Shah, FCA | Karachi |
| August 30, 2007 | Code of Ethics issued by IFAC | Shahid Hussain, ACA | Karachi |
| August 30, 2007 | Real Estate & Stress Management | Abdulwahid, FCA | Peshawar |
| August 31, 2007 | Real Estate & Stress Management | Abdulwahid, FCA | Lahore |