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Newsletter

ICAP's 47th Annual General Meeting

The 47th Annual General Meeting of The Institute of Chartered Accountants of Pakistan was held at ICAP House, Karachi on October 16, 2008.

In his opening remarks, President ICAP Syed Asad Ali Shah informed members of decisions taken at the Council meetings regarding significant changes in the education and training schemes of the Institute, publication of suggested answers of examination questions, formation of think tank to generate, collect and disseminate ideas and share the same at national level and formation of committee for Small and Medium Sized practices. He also said that the Institute is working on the concept of Limited Liability Partnership (LLP) to rationalize exposure of audit firms. In view of the global initiative towards a uniform accounting framework, ICAP is considering introducing a certificate or diploma course on IFRS.

The President further briefed members on the Institute's focus in 2008-09 on making necessary changes in regulations to enable CA firms to induct non Chartered Accountants as partners, new practice license requirements, full compliance with IFRS, extending the Institute's span of activities to smaller cities, and reviewing the curriculum to make it more responsive to current requirements.

Board of Studies to Develop Suggested Answers to Examination Questions

The Council has taken a number of steps to rationalize our education system to bring it in line with international best practices and also to help broaden its scope. In order to help students in understanding their results as well as in their future preparation for examinations, it has been decided by the Council that the Board of Studies, which is an independent set up from examination department, will henceforth periodically publish suggested answers to examination questions. The first such suggested answers of Module 'E' & 'F' papers will be available on the ICAP website by middle of November 2008.

Changes in Education, Training and Examination Policies

The Council of ICAP has approved certain changes in the education, training and examination policies vide circular number DET/Council/001/08/001 effective from November 01, 2008. The highlights of the changes are as follows:

- HSC students can appear in Module A to D exams without attending classes or registering with a Registered Accounting Education Tutor (RAET).
- The requirement that sponsor and principal of a RAET must be a chartered accountant has been done away with.
- Training period for those students who pass Modules E and F in their first attempt shall be 3 years whereas for those who fail in any attempt, the training period shall be extended to 3.5 years.
- Female trainee students shall be eligible for a break in their training period up to one year on account of marriage and/or maternity.

Make Your Own CPD Plan

As a Chartered Accountant you have an obligation to maintain professional skills and knowledge to keep abreast of developments in areas of practice and business. The Institute has made its CPD programs available on VHS/DVD so you can watch these on your own time and still earn CPD credit hours. You could also earn hours by reading books/articles of professional interest.

For details please refer to CPD Directive 8.01 revised July 2007.

Council's Decisions:

The following decision on professional misconduct was taken by the Council at its 198th meeting held on 25 August 2008:

Member Reprimanded without Name:

It was noted that the financial statements of a listed company for the year ended 30 June 2003 were audited by a practicing Chartered Accountant, who was not having satisfactory QCR rating.

The Committee noted that as per clause (xxxvii) of the Code of Corporate Governance, an auditor is required to have a satisfactory QCR rating to do the audit of a listed company. The Investigation Committee initiated the investigation proceedings against the member and as per its report, its finding was as follows:

The member, in his reply dated 25 July 2006, had admitted that his firm did not have a satisfactory QCR rating at the time of his firm's appointment as auditors of the company.

The Committee found the member guilty of professional misconduct under the following Clauses of Part 4 of Schedule I of C.A. Ordinance, 1961:

- (i) Clause (3), for non-compliance of the Council's directive No. 4.13, wherein all the practicing members have been directed to extend full cooperation to successfully implement the QCR programme so as to ensure maintenance of the highest standards in practice.
- (ii) Clause (5), for being an act or default discreditable to a member of the Institute.

After the deliberations, the Council concurred with the finding of the Investigation Committee and found him guilty of professional misconduct under clause 3 and 5 of part 4 of Schedule I of Chartered Accountant Ordinance, 1961 and decided to reprimand him without name.

President ICAP Elected Vice Chair of Accounting Group of Experts of UNCTAD

Syed Asad Ali Shah has been elected Vice Chair of the Intergovernmental Working Group of Experts on International Standards on Accounting and Reporting (ISAR) of UNCTAD, United Nations in Geneva on November 4, 2008. ISAR is one of the largest and most important groups within the accounting community, under the aegis of the United Nations, which endeavors to enhance the quality of financial reporting, corporate disclosure and transparency. Besides experts from government (such as personnel from Ministries of Finance, Auditor General's departments etc.), participants include representatives of global standard-setters, regulators, professional bodies, organizations such as IFAC, IASB, and European Union (EU) regulators. ISAR is the forum through which the three-tier approach of financial reporting, including SME standards, has evolved, based on which Pakistan has developed its own SME (MSE and SSE) standards. The IASB project and draft SME standards were also initiated on the basis of work done by ISAR.

Director PSC Visits ICA Sri Lanka

The Institute of Chartered Accountants of Sri Lanka (ICASL) is striving to implement the Quality Control Review (QCR) Program for their CA firms on the same pattern as ICAP. In this respect, one of their representatives visited ICAP in June 2008 to observe our QCR Program.

In continuation of this, the ICASL invited M. Asif Iqbal, Director Professional Standards Compliance & Evaluation for a two day visit on 30-31 October 2008 where he briefed ICASL members on the features of ICAP's QCR program and assured full support to ICASL in implementing the program in Sri Lanka.

ISQC-1 Manual CD Available for Sale

Keeping in view the difficulties faced by the firms especially SMPs, in the implementation of this standard, ICAP is issuing the ISQC 1 manual. This manual is developed with the dual objective of providing guidance and understanding of the requirements of ISQC 1 as well as to augment its acceptability and implementation among smaller practices. This manual will certainly help the SMPs in establishing and maintaining their system of quality control and also in tailoring any existing policies commensurate with their size, services and resources.

The manual CD is available at a nominal price of Rs. 1,000 per copy. Please contact Ansar Ahmed at 021-9251645 or ansar@icap.org.pk



IAASB Clarity Project Nears Completion; Board Urges Focus on Implementation Issues

The staff of the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board under the auspices of the International Federation of Accountants (IFAC), has released a [Clarity Project Update](#) to help those with responsibilities relating to audits of financial statements set in motion plans to ensure that audits are effectively carried out under the clarified International Standards on Auditing (ISAs) when the standards come into effect.

In December 2008 the IAASB expects to complete its 18-month program to comprehensively review all ISAs and International Standards on Quality Control (ISQCs) to improve their clarity and, thereby, their consistent application. The standards approved in December are scheduled to be submitted to the Public Interest Oversight Board (PIOB) in February 2009, and if cleared by the PIOB, the program will be brought to a final conclusion then. The completion of this program, known as the IAASB Clarity Project, will result in 36 ISAs drafted in accordance with the IAASB's Clarity conventions subject to a single statement of authority, which will come into effect for audits of financial statements for periods beginning on or after **December 15, 2009**.

In most cases of annual financial statements for a full 12 month year, the clarified ISAs will apply to audits of financial statements for periods that end after December 15, 2010. This may seem a long way off, but there is much to be done to ensure that implementation of the standards is smooth and that audits will be effectively carried out in accordance with them," states John Kellas, IAASB Chairman. Mr. Kellas continued, "All of the ISAs include improvements to enhance their understandability, and a significant number of them also include, as a result of their revision, substantive new requirements that aim to improve practice in a variety of respects. Accordingly, national standards setters, legislators and others involved in setting standards, IFAC members and associates, regulators, and accounting firms need to take such steps as are necessary for effective implementation, including national adoption, translation, amendment of manuals and processes and training. I urge everyone, therefore, to get ahead with preparations to ensure that implementation of the clarified standards is a success and that their benefits are achieved from the start.

This latest *Clarity Project Update* indicates the status of the clarified ISAs and clarified ISQC 1 as of October 2008 and where these documents can be accessed on the IAASB website. This staff report also provides an overview of the main changes to the ISAs arising from the Clarity Project, and highlights some of the matters to be considered as jurisdictions implement the clarified standards. It also lists the clarified standards published to date. The update may be downloaded from the Resources section of the IAASB website (<http://www.ifac.org/IAASB/>).

The IAASB plans to publish the set of clarified ISAs in IFAC's 2009 *Handbook of International Standards on Auditing and Assurance*, expected to be released in April 2009.

Theme of the Next Issue of The Pakistan Accountant

The theme for the Sept-Dec 2008 issue of
The Pakistan Accountant is:

Reviving an Ailing Economy: Case Study Pakistan

Members and Students are requested to send in their contributions on the subject to ICAP's Publications Department by 25th November, 2008 at e-mail: asad.shahzad@icap.org.pk

CPD Activities during the month of October, 2008

The Southern Regional Committee of ICAP organized a seminar and a workshop in October 2008.

Repeated Session of workshop on "Financial Analysis and Business Modeling with Excel" conducted on October 25, 2008 was attended by 20 members and 03 non-members who could not be accommodated in the first session of this workshop.

The Southern Regional Committee of ICAP also announced a series of seminars on National and International Economic Crises and the first seminar of this series on the topic Global Financial Meltdown was conducted on October 23, 2008. A large number of participants attended the seminar including 222 members and 44 non-members.

Dr. Ishrat Hussain and Moin Fudda were the speakers and Syed Asad Ali Shah, President ICAP, was session Chairman of the seminar.



Welcome!

New Fellow / Associate Members

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

Fellow Members	
R-No.	Name
2271	Ahmad, Aftab
3841	Ali, Tahir
3779	Amin, Muhammad
2849	Aslam, Muhammad Imtiaz
2666	Badami, Mohammed Baqar
2672	Habib, Shaikh Mahmood
2860	Iqbal, Imran
2859	Nisar, Faisal Ahmad
5442	Hakim, Ghulam
5425	Hameed, Noman
5441	Hasnat, Aakif
5414	Iqbal, Muhammad Faizan
5434	Iqbal, Sheraz
5438	Jadoon, Usman Masood
5422	Jaffery, Syed Zia Imam
5427	Javed, Umer
5410	Khan, Fahad Amjad
5444	Khan, Muhammad Ahsan Saleem
5407	Khan, Waqas Raza
5431	Khan, Muhammad Waqqas
5419	Khilji, Farhan ud Din
5435	Kodwavi, Muhammad Umair
5424	Mairaj, Muhammad
5409	Maqbool, Aftab
5436	Masood, Nida (Miss.)
5430	Moon, Osama
5418	Munir, Tariq
5432	Nasir, Mudussair Nasir
5428	Niam, Sarmad
5433	Qaisrani, Muhammad Altamash
5413	Qureshi, Saad Tariq
5423	Saeed-u-Rehman
5412	Shah, Syed Azam Ali
5421	Shamim, Anwer
5420	Zafar, Adnan

Associate Members

R-No.	Name
5440	Ahmad, Zubair
5443	Ahmed, Mussab Hussain
5439	Ali, Abbas Ali Akber
5411	Ali, Amjad
5415	Ali, Syed Mohsin
5417	Anwer, Muhammad Naveed
5426	Atiq ur Rehman, Syed
5429	Bashir, Irfan
5416	Bhatti, Farhan
5408	Bhatti, Hira Tariq
5445	Butt, Hammad Ahmed
5437	Fatima, Tazeen

New Office Bearers 2008-09 Northern Regional Committee (NRC)

Chairman:

Rana M. Usman Khan, FCA

Honorary Secretary:

Shibli Islam Rehan, FCA

CPD Convener:

Irfan Ilyas, FCA

Presentation Skills Competition

The Institute of Chartered Accountants of Pakistan (ICAP) always expects its students to exhibit excellence in the field of academics. However, considering the importance of softer skills in today's corporate world, it strongly feels that chartered accountants should also be equipped with writing and public speaking abilities. To encourage the students in nurturing such skills, a series of soft skills competitions has been organized by ICAP. In October'08 Presentation Skills Competition was held in Karachi, Islamabad and Lahore amongst CA trainee students and the following students were declared as winners:

Karachi

Winner

Hilla Dinshaw Daruwala
Ford Rhodes Sidat Hyder & Co.

1st Runner up

Anum Nadia Rahman
A. F. Ferguson & Co.

2nd Runner up

Hassan Matloob
A. F. Ferguson & Co.

Islamabad

Winner

Usman Aziz Shah
A. F. Ferguson & Co.

1st Runner up

Atiq-ur-Rahman
Khalid Majid Rahman Sarfaraz
Rahim Iqbal Rafiq

2nd Runner up

Zain-ul-Abedeen
A. F. Ferguson & Co.

Lahore

Winner

Yasir Ghalib Qureshi
A. F. Ferguson & Co.

1st Runner up

Annie Mazhar Malik
A. F. Ferguson & Co.

2nd Runner up

Saqib Rao
Naveed Zafar Husain Jaffery & Co.

Continuing Professional Development (CPD) Programme

Date	Seminar / Workshop	Speaker	Venue
Held October 23, 2008	Global Financial Meltdown: Genesis, Consequences and Lessons	Dr. Ishrat Hussain, Moin Fudda, Syed Asad Ali Shah (Session Chairman)	Karachi
November 19, 2008	Global and National Economic Crisis	Syed Asad Ali Shah, Adnan Afaq Najamul Hussain (Session Chairman)	Karachi