



ICAP Conference 2009

on August 19 & 20, 2009
at the DHA Country & Golf Club, Karachi

ONE VENUE, MANY IMPRESSIONS, IMMENSE INSIGHT

The Institute of Chartered Accountants of Pakistan is pleased to announce that as part of the SAFA Silver Jubilee celebrations it will host its Conference on **Financial Meltdown – Crisis of Governance?** on August 19 & 20, 2009 at the DHA Country & Golf Club, Karachi.

The Conference will focus primarily on impact of financial meltdown on our local economy and the importance of governance.

The aim of this event is to promote the exchange of ideas by bringing together speakers who will explore some of the very real challenges this crisis has posed to our part of the world.

The Conference will feature the following panel discussions:

- Governance in Public Sector
- Impact of financial meltdown on Financial Reporting
- Impact of financial meltdown on Exports and Manufacturing
- Impact of meltdown on Financial and Capital Markets
- Conference will conclude at SAFA Silver Jubilee Celebrations

The Next Theme for The Pakistan Accountant is:

Fact Packed Annual Reports

(And the Core Competencies of Preparers of
Financial Statements)

In corporate reporting, what really counts these days is financial information for institutional and individual investors, plus clear compliance with the Code of Corporate Governance.

Investors actively seeking information about companies are demanding Annual Reports that are short on gloss and long on content. Additionally, preparers of financial statements must display not only a high degree of technical competence, but must also have the ability to inspire trust and confidence with the BOD, banking institutions, regulators and investors.

In view of these changing trends, The Pakistan Accountant invites you to send in your articles/contributions on the above theme latest by 15 September 2009. We request all contributors to observe this deadline. Ideal article length would be between 1500 and 2000 words.

Members are encouraged to send in their contributions on the subject to ICAP's Publications Department at e-mail: asad.shahzad@icap.org.pk

Online Particulars Update – Directory of Members and Firms 2009-10

Compilation of the Directory of Members and Firms 2009-10 is in progress. In this regard, facility of online members' particulars update is available at the Institute's web portal. Members are requested to kindly update their particulars by visiting the Members' area at the Institute's webportal using their log in ID and password.

In case you do not have Members' log in ID and password, please contact the concerned officer of the membership department at: unbreen@icap.org.pk

Council's Decisions

The following decisions on professional misconduct were taken by the Council in its 204th meeting.

Member Reprimanded with Name:

Institute had taken suo-motu action against Mr. Mahboob Ahmed Sheikh, FCA, (Sole Proprietor, M/s Mahboob Sheikh & Co., Chartered Accountants), in respect of an order passed by SECP, for alleged irregularities in the audited accounts of a limited company for the year ended June 30, 2006.

As per the report of the Investigation Committee, the following irregularities were found:

i) Limitation on Scope:

The Auditor was not able to verify almost 98.9% of the total assets due to non-availability of record which is in contravention of Para 38 of ISA 700 (The Auditors' Report on Financial Statements) which provides that a disclaimer of opinion should be expressed when the possible effect of a limitation on scope is so material and pervasive that the Auditor is not able to obtain sufficient appropriate audit evidence and accordingly is unable to express an opinion on the Financial Statements. Despite the material and pervasive effect of said limitation on scope, the Auditor had issued a qualified report to the members.

ii) Corresponding Figures:

The corresponding figures given in the Accounts under review were un-audited which is non-compliance of Paragraph 18 of ISA-710 (Comparatives) which requires that when the prior period Financial Statements are not audited, the incoming auditor should state in the auditor's report that the corresponding figures are un-audited. However, the Auditor failed to disclose this fact in his report.

iii) Going Concern Assumption:

The auditor in his audit report expressed that the Company was not a Going Concern; however the Accounts of the Company were prepared on Going Concern basis. The Auditor drew member's attention towards Going Concern inability by adding an "emphasis of matter paragraph" in his

audit report while Paragraph 35 of ISA 570 requires that if in the auditor's judgment, the entity will not be able to continue as a Going Concern and the Financial Statements have been prepared on a Going Concern basis, then the auditor should express an adverse opinion.

iv) Other non-Compliances:

The Auditor's report was also silent about the irregularities stated below:

- a) The Company suffered loss during the period under review; however, the Auditor used the word "profit" in opinion paragraph of his report;
- b) Accounting policies for exchange gain & loss and deferred cost were contrary to the requirements of the Fourth Schedule of the Companies Ordinance, 1984 [Ordinance];
- c) Accounting policy for deferred taxation was not in compliance with the requirements of IAS-12 (Income Taxes);
- d) The Company was not charging depreciation on its fixed assets since 2000 which is contrary to the requirements of IAS 16 (Property, Plant & Equipment);
- e) The treatment of revaluation surplus was contrary to the requirements of Section 235 of the Ordinance read with S.R.O 45(1)2003; and
- f) Following disclosures were not made in accordance with the requirements of IAS:
 - i) Timing of installments of long-term loans was not disclosed as required by Paragraph 60 of IAS-32 (Financial Instruments: Disclosure and presentation);
 - ii) Date of authorization for issue of Accounts and from whom such authorization been made was not disclosed as required by Paragraph 17 of IAS-10 (Events after Balance Sheet Date);
 - iii) Loss per share was not disclosed as per Paragraphs 69 & 70 of IAS-33 (Earning per Share); and
 - iv) Disclosure regarding corresponding figures was not in line with Paragraph 38 of IAS-1 (Presentation of Financial Statements).

In view of the above, the Investigation Committee found Mr. Mahboob Ahmed Sheikh, guilty of professional misconduct under Clause (3) of Part 4 of Schedule I of the C.A. Ordinance, 1961, for non-compliance of the Council's Directives contained in Fundamental Principle 11.6 of the Code of Ethics, according to which, a Chartered Accountant in practice is required to carry out professional services in accordance with the

requirements of International Accounting Standards, International Standards on Auditing and relevant legislation, i.e. Companies Ordinance, 1984 etc.

The Council considered the report of the Investigation Committee and concurred with its findings. Accordingly, the Council decided to reprimand Mr. Mahboob Ahmed Sheikh with name.

Welcome!

New Fellow / Associate Members

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

Fellow Members

R-No.	Name
2940	Ahmed, Shabbir
3431	Ahmed, Urooj
2962	Ali, Bilal
3470	Aslam, Muhammad Sharjeel
3232	Butt, Moneeza Usman
2948	Jamili, Khurram Akhtar
2807	Khokhawala, Aun Ali
3087	Nadeem, Muhammad
2834	Sheikh, Mohammad Javed
3104	Tabani, Muhammad Aqeel Ashraf
3154	Tabraze, Haroon
2921	Usman, Muhammad
2909	Zaheer, Umair

Associate Members

5733	A Jabbar, Danial
5686	Aamir
5717	Abbas, Mohsin
5711	Abbas, Saif
5724	Ahmed, Talha
5696	Akbar, Usman
5694	Akhter, Syed Naveed
5716	Ali, Almas Hosain
5730	Ali, Azeem Anwer
5688	Altaf, Sanobar
5703	Anwar, Adeel Hassan
5704	Ashraf, Safwan
5702	Aziz, Kamran
5723	Baig, Hashim Shahbaz
5700	Bajwa, Naeem Ullah
5727	Bhatti, Muhammad Shujaat
5692	Ejaz-ul-Hassan, Muhammad
5705	Farooqui, Muhammad Ali
5726	Fazal ur Rehman, Aisha

R-No.	Name
5698	Ghafoor, Shoaib
5719	Hasan, Faraz
5728	Iftikhar, Muhammad Haris
5693	Isfhan
5685	Janoo, Faraz
5715	Jawad, Muhammad
5689	Junaid, Muhammad
5732	Karim, Fazal
5725	Khan, Aman Ullah
5690	Khan, Mariam Sarwar
5708	Khan, Muhammad Durraiz
5697	Khan, Omair Muhammad
5712	Maqsood, Anjum
5687	Memon, Afaq Mehmood
5699	Minhas, Usman Afzal
5720	Munawar, Syed Mehran
5731	Nadeem, Muhammad Asif
5683	Naeem, Kanza
5718	Navaid, Sabina
5710	Nazeer, Arifa
5722	Owais, Syed Muhammad Tayyab
5707	Qasim, Sultan Sheraz
5695	Qureshi, Manzoor Ali
5714	Raza, Muzzammil Ghulam
5701	Rehman, Ali Abdul
5706	Riaz, Muhammad Urooj
5709	Sabih-ul-Malik
5721	Sabir, Samina
5691	Shakoor, Syed Aatif
5684	Shan-e-Zahra
5729	Waheed, Saleha
5713	Zubair, Zohaib

Students' Section



Counseling Session

Mr. Abdul Rahim Suriya, Council member conducted a Counseling Session for A level and Second Year Intermediate students at the FFC Grammar School, Sadiqabad, Rahimyar Khan on August 8, 2009. About Seventy students participated eagerly in the session.

Career Counselling at ICAP Islamabad

The Institute is holding an interactive, career counseling event at its premises on Saturday August 22, 2009 between 11:00 A.M. and 1:00 P.M. to guide students who are in the process of making career choices.

Exam Specific Workshops for Final Level Students in Islamabad

The Institute is arranging full day, Exam specific workshops for all subjects of Module E and F commencing in August, 2009 for students in Islamabad. The sessions being held in August, 2009 are:

Subject	Speaker	Date	Time	Fee
IT Management, Audit and Control	Khurram Hussain IT Faculty Member at ISCAF	Saturday, August 15, 2009	10:00 A.M. to 5:00 P.M.	Rs. 250/-
Advanced Taxation	Sajid Shafiq, ACA	Saturday, August 29, 2009	10:00 A.M. to 5:00 P.M.	Rs. 250/-

Details of these sessions can be obtained by contacting the Islamabad office.

In addition, the following seminars are being conducted in Lahore and may be attended by students based in Islamabad/ Rawalpindi through video conferencing:

Subject	Speaker	Date	Time	Fee
Business Finance Decisions	Muhammad Maqbool, FCA	Thursday, August 06, 2009	9:30 A.M to 4:00 P.M.	Rs. 250/-
Advanced Accounting and Financial Reporting	Jafer Husain, FCA	Saturday, August 08, 2009	9:30 A.M. to 4:00 P.M.	Rs. 250/-

Continuing Professional Development (CPD) Programme

Seminar / Workshop	Date / Venue
Intellectual Property	July 30, 2009 Karachi
Speaker: Zulfiqar Khan, International Trainer & Consultant	
Human Resources as an Agent of Change	July 30, 2009 Islamabad
Speaker: Umer Raza Bhutta, Trans World Associates (Pvt.) Ltd	
Enterprise Risk Management	August 17, 2009 Islamabad
Speaker: Tariq Maqbool, Askari Bank Limited	