



Vol. 32 No. 2 February 2009

Newsletter

The Institute of Chartered Accountants of Pakistan

Shaukat Tareen, Advisor to Prime Minister on Finance & Economic Affairs Visits ICAP

A meeting with Mr. Shaukat Tareen, Advisor to Prime Minister on Finance & Economic Affairs was held on **Saturday, February 14, 2009** in ICAP House Karachi to discuss framework for outsourcing of Tax Audit. ICAP President, FBR Chairman, other officials from FBR, ICAP Council members and Taxation Committee members attended the meeting.

The meeting was held to place the proposal of outsourcing of tax audit by Chartered Accountants to the Advisor as the government is keen to assign this task to Chartered Accountants firms.



It was agreed that the objective of outsourcing of tax audit is to build confidence of the tax payers and to create an environment of 'deterrence' rather than collection of revenue.

Appointment of Shoaib Ahmed as Secretary ICAP

The Council of the Institute of Chartered Accountants of Pakistan in its 204th meeting held on January 23, 2009, appointed Shoaib Ahmed, ACA as Secretary of the Institute w.e.f February 1, 2009. He takes over from Mr. Fazal Husain Saifee, who was holding dual charge of Secretary and Chairman Board of Studies.

Shoaib Ahmed completed his training from A. M. Laliwala & Co. and became an Associate Member of the Institute in 2001. He has headed the Internal Audit department of an investment bank and has also worked with the State Bank of Pakistan.

Shoaib Ahmed joined the Institute in Professional Standards Compliance & Evaluation in 2006 where, in addition to conducting Quality Control Reviews, he remained involved with Small and Medium Practices Taskforce and Taskforce on Networking of Firms. He was taken an active role in conducting Small & Medium Practices workshops.

In 2007, Shoaib Ahmed was transferred to work in ICAP Secretariat with Fazal Husain Saifee. Shoaib Ahmed has the distinction of being the youngest Secretary of the Institute.

He has attended various national and international conferences.

Chartered Accountants Avenue, Clifton, Karachi-75600 (Pakistan)

UAN: 111-000-422 PABX: (021) 9251636-39 Fax: (021) 9251626 E-mail: info@icap.org.pk Website: www.icap.org.pk



IFAC News

IAASB Issues Audit Practice Alert on Going Concern

The staff of the International Auditing and Assurance Standards Board (IAASB) has released a new practice alert entitled *Audit Considerations in Respect of Going Concern in the Current Economic Environment*. The alert is designed to assist auditors and management, as well as those charged with governance, in responding to the unique challenges arising from the current financial crisis when evaluating an entity's ability to continue as a going concern. The practice alert highlights areas within International Standard on Auditing (ISA) 570, *Going Concern*, as well as other ISAs, which are particularly relevant in the current economic environment. It also provides additional guidance for auditors in evaluating management's use of the going concern assumption, and raises awareness of issues surrounding liquidity and credit risk that might create new uncertainties for entities, or exacerbate those already existing.

The audit practice alert can be downloaded free-of-charge from the IFAC website at: www.ifac.org

New IFAC Sustainability Framework

The Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has developed a comprehensive Sustainability Framework to support professional accountants and their organizations in integrating a sustainable way of thinking and working in all business processes. The Framework illustrates how a commitment to sustainability can help to further improve an organization's products or services, motivate its people, lower its costs and enhance its reputation.

Designed from four different perspectives - business strategy, internal management, financial investors, and other stakeholders - the new Framework challenges conventional ways of thinking about economic, social and environmental achievements. It also promotes the injection of sustainability leadership into the full management cycle, from making and executing strategic decisions to reporting on performance to all stakeholders.

IFAC's Sustainability Framework is a web-based tool that allows users to easily navigate those sustainability issues that are most important to their immediate roles and to select and use those examples of good sustainability practice that can work in their organizations.

The Sustainability Framework can be accessed free-of-charge on the International Center for Professional Accountants in Business section of the IFAC website at: www.ifac.org/PAIB

Students' Section

Changes in the Syllabus of Corporate Laws NBFC Rules and Regulations

For Examinees of Module E

The topic of NBFC Rules and Regulations in the Corporate Laws syllabus will cover the following laws only:

1. Part VIII A (Section 282A to Section 282N) of the Companies Ordinance, 1984
2. The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003
3. Regulation 25 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008
4. Schedule IX (Fit and Proper Criteria) and Schedule X (Long, Medium and Short Term Financing Facilities) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The above changes shall be in force with effect from Summer 2009 Examinations.

Diploma in IFRS

Keeping in view the convergence, undergone by the major economies of the world such as United States of America, China and Canada, of the International Financial Reporting Standards with respective local GAAP, the demand for IFRS specialists is increasing. The Institute of Chartered Accountants of Pakistan has introduced a diploma in IFRS to prepare the candidates to avail such opportunities. The first exams for the diploma shall be held in June, 2009. The last date of registration is May 15, 2009. For details please visit the Institute's website.

Forms for Financial Assistance

The forms for financial assistance under Endowment Fund, in respect of tuition fees of Module A to D, shall be submitted at the respective offices of the Institute from February 15 to April 30, 2009.

Best Corporate Report Awards 2008

Attn: All CFOs and CEOs

The Joint Committee of ICAP and ICMAP is in the process of evaluating annual reports for the year 2008 for Best Corporate Report Awards 2008.

All Companies who wish to participate in the Best Corporate Report Awards competition are requested to send three copies of published annual reports for the year 2008 to Director Technical Services, ICAP.

The revised evaluation criteria for the year 2008 are available on the websites of the two Institutes which are as follows:

www.icap.org.pk & www.icmap.com.pk

Join the Discourse with *The Pakistan Accountant*

Topic for Next Issue: Don't Blame it on Me, Blame it on the System!

In his Davos dispatch on the web magazine Slate*, *Newsweek* columnist Daniel Gross wrote this:

"At least with regard to finance and business, the consensus (at Davos) seems to be clear: *Success* is the work of Great Men and Great Women, while *failure* can be pinned on the system."

In the context of the global financial crisis, would you agree that we live in a world where success is privatized by attributing it to individuals, but failure is socialized by blaming it on the system?

Members are requested to send in their comments by March 10, 2009 with their name and town, via email in care of asad.shahzad@icap.org.pk with the word 'DISCOURSE' in the subject heading.

* Please log on to www.slate.com and read *Davos Man, Confused: Why the world's economic leaders blame the catastrophe on the system instead of themselves* by Daniel Gross.

SECP Update

- SECP notifies IFRS 4 effective for the period commencing from 1st January, 2009 on companies engaged in insurance and re-insurance business (SRO 149 (I)/2009) <http://www.icap.org.pk/web/news-details.php?section=all&id=090213055528>
- SECP grants relaxation in accounting treatment for equity securities held by companies under the head "Available for Sale" as required under IAS 39 (SRO 150(I)/2009) <http://www.icap.org.pk/web/news-details.php?section=all&id=090213054849>

SBP Update

- Amendment to Prudential Regulation for Corporate/Commercial Banking applicable for Financial Statements duly audited by a practicing Chartered Accountant, relating to the business of every borrower which is a limited company or where the exposure of a bank / DFI exceeds Rs 10 million to be submitted by the borrower after December 31, 2009.

However, if the borrower is a public limited company and exposure exceeds Rs. 500 million, banks/DFIs shall obtain the financial statements duly audited by a firm of Chartered Accountants which has received satisfactory rating under the Quality Control Review (QCR) Program of the Institute of Chartered Accountants of Pakistan. (BPRD Circular No. 03 February 11, 2009) <http://www.icap.org.pk/web/news-details.php?section=all&id=0902130553>

Director Education CIMA Calls on President ICAP

Dr. Robert Jelly, Director of Education CIMA, called on President ICAP Asad Ali Shah on February 14, 2009 to discuss various matters of mutual interest including cooperation between the two Institutes on e-learning, preparing learning material and mutual recognition of qualifications.



CPD Activities at Karachi - January, 2009

The Southern Regional Committee of ICAP organized a seminar on **Second Wave of IFRS** on Thursday, January 15, 2009. The seminar was attended by 148 members and 44 non-members. The speaker of the seminar Syed Fahim ul Hassan discussed the amendments to the existing IAS & IFRS and an update on IFRIC interpretations issued in 2008.

SRC also organized a workshop on **Negotiation Skills** at Pearl Continental Hotel Karachi on January 31, 2009. The workshop was conducted by Raja Khalid, a well known trainer and Consultant and attended by 13 members and 7 nonmembers.

CPD Activities at Lahore - January, 2009

The CPD Committee, Lahore under the Chairmanship Mr. Irfan Rehman Malik held a seminar on **Internal Audit - The Way Forward** on January 24, 2009 at ICAP House, Lahore. Iftikhar Aziz Chaudhry, FCA was the speaker. A good number of participants joined the seminar and appreciated the speaker's efforts.

Seminar on **e-Governance regime in corporate registration and regulation** was held on January 29, 2009 and was attended by over 160 participants. Members got better acquainted with e-governance regime of SECP and the role of NIFT. A good question and answer session concluded the seminar with highly effective presentations by Nazir Ahmed Shaheen, Executive Director Registration Department, SECP, Muhammad Naveed Chaudhry, Additional Registrar of Companies, SECP and Zaheeruddin Khawaja, Area Manager North, NIFT.

ISQC-1 Roundtable in Peshawar

The Institute organized a roundtable meeting on ISQC-1 at ICAP Peshawar office on January 26, 2009. The program was the first of its kind in Peshawar.

Shibli Islam Rehan, Senior Consultant QCR, Shahid Hussain, Director Professional Standards Compliance & Evaluation and Haroon Adeel, Senior Manager Professional Standards Compliance & Evaluation were the facilitators.

An overwhelming response was received. All participants actively took part in the sessions and were strongly of the view that quality of audits is of prime importance in upholding the image of the accounting profession. Many constructive suggestions were forwarded by the practicing members.

Welcome!

New Fellow/Associate Members

The following individuals have been recently admitted as Fellow / Associate Members of the Institute.

Fellow Members

R-No.	Name
2887	Bakhtawar, Tariq
2746	Haider, Salman
3768	Hanif, Tariq
2843	Hasan, Syed Saad
2870	Hussain, Sajid
2454	Idrees, Mohammad
2203	Iqbal, Nasir
2836	Islam, Nasir
2450	Jan, Aamir Ahmad
2781	Kazmi, Syed Iqbal
2883	Khan, Kashif Alam
2838	Laiq, Rehan
2778	Qamar, Asad
2677	Riaz, Mohammad

Associate Members

R-No.	Name
5488	Irshad, Afshan
5493	Jan, Rauf Ali
5494	Jawed Adeel
5490	Khan, Muhammad Abdullah
5495	Mansuri, Muneeza Shazad
5491	Memon, Muhammad Uzair
5498	Raza, Ali
5489	Shad, Najimuddin
5497	Shah, Usman Aziz
5492	Shahzad, Muhammad
5496	Wasif, Hasan
5499	Yousuf, Bilal

Theme for the Next Issue of The Pakistan Accountant

The theme for the January-March 2009 issue of
The Pakistan Accountant is:

"Why Satyam Wouldn't Happen in Pakistan"

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

Our publication deadline is March 10, 2009. We request all
contributors to observe this deadline. Ideal article length
would be between 1500 and 2000 words.