

PRESS RELEASE

ACCA Centenary Conference

LAHORE – 10 May 2004: Dr. Tariq Hassan, Chairman, Securities and Exchange Commission of Pakistan (SEC) has urged the accountancy profession to recognize its role in the economy and develop a broad global outlook. "Accountants and auditors must maintain due care and objectivity in performing their duties, as they have a major responsibility towards ensuring that companies' management fulfill their responsibility towards the stakeholders", he said.

Dr. Hassan was addressing the ACCA Centenary Conference in Lahore on Monday. He said that our economy, over the last many years, had been largely volatile and marred with low investor confidence, tough global competition and sluggish foreign investment. "While the situation has considerably improved, we need to address the lack of transparency and accountability in the corporate sector. What we seek in transparency is the ability of an investor to 'see through' a company's financial statements, the true results of its operations", he added.

Highlighting some of the issues faced by the audit profession, the Chairman SEC said that the expectation gap was, presently, one of the key issues that the auditing profession was faced with and one of the root causes of the lack of confidence in the profession. "While we must educate the users of financial statements about the role and the extent of the responsibility of auditors, the auditors will also have to review and improve their performance in line with the public's expectations", he said.

Dr. Hassan further added that external auditors must not only be, but also seen to be, independent to provide due assurance and reliance to readers of financial statements.

Addressing transparency issues pertaining to globalization, Dr. Hassan said that the expanding globalization of business and investments was generating not only demand but also pressure to enhance the quality of financial reporting throughout the world. He urged the auditing profession to respond appropriately to this demand to maintain public trust that is essential to our capital markets and to the profession.

Dr. Hassan also congratulated the ACCA on completion of a centenary in the service of the business community as a part of the accountants fraternity and wished them success as they were fast establishing themselves as a body of professional accountants seeking to observe and promote the highest ethical and governance standards.