



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Press Release
April 13, 2016
For immediate release

SECP, ICAP hold session to raise the standards of audit profession

ISLAMABAD, April 13: The Securities and Exchange Commission of Pakistan (SECP) and the Institute of the Chartered Accountants of Pakistan (ICAP) have held a session in Lahore to raise awareness about their observations regarding shortcomings of chartered accountants.

Chartered accountants have a vital role in ensuring public trust in financial reporting and business practices and upholding the reputation of the accountancy profession in the country. It has been noted that practicing members are required to be informed in certain areas in order to assist them in carrying out their work in accordance with the requirements of the professional and technical standards.

The SECP's presentation focused on the "Regulators perspective on audit profession." Being the apex regulator, the main objective of the SECP was to highlight the efforts being made to bring the quality of assurance services on a par with more advanced corporate jurisdictions of the world. Emphasis was placed on evolving role of the auditor and the need for flexibility and adaptability of the audit professional to the continuous changes proposed by IFAC. Areas of weaknesses were highlighted which were observed by the SECP during examination of assurance assignments conducted by chartered accountants with the objective of assisting them to overcome these weaknesses.

The awareness session also highlighted actions initiated by the SECP over the last 4 years and the common/specific and general non-compliances observed by SECP, the initiatives taken by SECP to meet future challenges faced by the audit profession and the way forward as to how the audit reporting can be improved.

The ICAP representatives highlighted the major irregularities and non-compliances with the applicable laws and regulations, which have come to the attention of the ICAP's Investigation Committee on a recurring basis. The presentation also stressed the need to adhere to the fundamental principles of Code of Ethics for Chartered Accountants, including the requirement of addressing the threats to compliance with those principles.

The presentation of ICAP on Quality Control Review (QCR) process of the ICAP focused on the QCR observations noted frequently during the review of working papers of the professional firms. Aspects relating to appropriate planning and execution of the audit strategy, including findings on the matter of going concern issues were also discussed during the presentation by Director, Quality Assurance Department of the ICAP.

The presentations by the speakers were followed by a lively question-and-answer session. The session was chaired by Mr. Rashid Ibrahim, Council Member ICAP, and was addressed by Mr. Abid Hussain, Executive Director, SECP, Ms. Maheen Fatima, Director, SECP, Mr. Shahid Hussain, Director (Quality Assurance-ICAP) and Mr. Irfan Azam (Deputy Director, Legal and Membership Affairs-ICAP).

