

Jan 31, 2002

SEC imposes fine on Mr Moosa Yusuf Lulat, CA, and member of ICAP for negligence in the performance of his duties as an auditor

The Enforcement Division of the Securities and Exchange Commission of Pakistan (SEC) has imposed a fine of Rs. 4000/- (Rs. 2000/- each in two different cases) on Mr. Moosa Yusuf Lulat, a chartered accountant and member of the Institute of Chartered Accountants of Pakistan (ICAP), for negligence in the performance of his duties as an auditor. Mr. Moosa is conducting his business in Karachi under the name Moosa & Co

Mr. Moosa was appointed auditor of two listed companies for the year ended June 30, 2001. Examination of the audited accounts for the year ended June 30, 2001, of both companies, revealed irregularities in the observance of International Accounting Standards (IAS) in regard to the preparation of accounts as well as non-compliance with several requirements of the Fourth Schedule to the Companies Ordinance, 1984. In his audit report, Mr. Moosa failed to draw the attention of members of the company towards the non-disclosures and contraventions in the accounts as he is required to do under Section 255 of the Companies Ordinance.

The provisions of the Companies Ordinance are mandatory and it is the responsibility of the auditor to ensure that the audit is conducted in the manner provided in the Ordinance and to report non-compliances/contraventions of mandatory requirements to members of companies. It is also the responsibility of the auditor to bring to the notice of members, major breaches observed in the financial statements.