

Working Group on Audit Quality

Scope and Functions:

This working group will support the ASEB to achieve its objective of maintaining and improving audit quality in Pakistan thereby enhancing the reliability and accuracy of the financial statements. The activities and functions of this working group will inter alia include the following:

1. Develop guidance and best practices on ISQM 1 to support practicing firms.
2. Develop audit quality indicators for auditors of public interest companies and monitor their implementation by the audit firms.
3. Interact with regulators (AOB, SECP, SBP and QAB) to understand the areas requiring attention for improving the audit quality and work closely with regulators to develop guidance /support material for addressing the areas of improvement.
4. Develop guiding material for carrying out root cause analysis of audit failures, including identifying and addressing the underlying factors.
5. To develop guidance and publication such as ATRs on audit matters to improve audit practices and audit quality.
6. Review existing ATRs for improvement.
7. To develop and maintain a database of quality leaders/team in the audit firms for regular communications using applicable tools such as email groups for mutual learning and professional development.
8. Develop a framework of audit transparency reports for publication by the audit firms of PICs.
9. To periodically carry out study on audit fees of Listed companies in Pakistan and other jurisdictions for comparison purposes and make recommendations based thereon.
10. To review exposure draft of IAASB ISQM standards and provide comments to the Board.
11. To assist in training and capacity building of members/firms on ISQM standards.
12. Provide quarterly report to the Board on the activities of the working group.

Proposed Composition:

1. **Rana Usman – Working Group Chairman**
2. Nadeem Shahab
3. Rashid Rahman Mir
4. Mehmood Razzak
5. Noman Abbas Sheikh
6. Arif Nazir
7. Sheikh Salman
8. Inam Kakra
9. Amin Ali