

BANK REPORTS FOR AUDIT PURPOSES

- 1.0 The practice of obtaining independent confirmation(s) or report(s) from bank(s) is/are essential for the proper discharge of auditors' responsibilities. Independent confirmations /reports from bank(s) assist auditors to verify existence of liabilities and the existence, ownership and proper custody of assets; they also provide other information relevant to the audit of financial statements.
- 1.1 This technical release deals with request by auditor(s) to the banker(s) of the audit client for confirmation of balances and providing other relevant information. The standard letter of request is set out in **Appendix-I** to this technical release.
- 1.2 It also requires that the standard letter of request is to be used in accordance with the procedures laid down in paragraph 3 below.

2.0 Authority to Disclose

- 2.1 Bank(s) will require explicit consent from their customers to disclose information requested by auditor(s).
- 2.2 For the sake of convenience, the authority is to be evidenced by the customer's counter signature on the standard letter of request or in case of electronic confirmation it shall be provided digitally via email or through E-Confirmation Platform, ensuring a secure and verified authorization process. In case of replies through emails, the auditor(s) are to perform appropriate procedures to confirm the reliability of source and authenticity of the replies received such as official email address is used by the confirming Bank.
- 2.3 In case of joint accounts, the authority is to be given in the standard letter of request by the authorized person on behalf of all the joint account holders. The details of the authorised person is to be disclosed in the standard letter of request.
- 2.4 In the case of security lodged by a third party, its authority for disclosure is also to be obtained and produced to the bank(s).

3.0 Procedures

- 3.1 The following procedures at minimum are to be followed by the auditor(s) in connection with the standard letter of request for a bank report:
- a) The standard letter of request as set out in 'Appendix 1' is to be sent on each occasion by the auditors on their own letterhead (i.e. paper-based or digitally).
 - b) The auditor(s) is to determine the appropriate location to which the confirmation request shall be sent, for example a department, such as internal audit, inspection and other specialist department, which may be designated by the respective confirming bank as responsible for replying to confirmation requests. It may be appropriate, therefore, to direct confirmation requests to the head office of the respective bank (in which such departments are often located). In other situations, the appropriate location may be the local branch of the respective confirming bank.
 - c) The client's authority to permit disclosure is to be obtained on the standard letter of request itself before the letter is sent out or electronically via email or E-Platform.
 - d) In reviewing the bank's reply(ies), it is important for auditor(s) to check that the bank has answered all questions in full.
 - e) Ensure the authenticity of the confirmation response and the authority of a person responding to the bank confirmations such as signature and bank stamp. The format is attached as '**Appendix 2**'.
 - f) If no reply is received from a bank within two weeks after the original request was made, the auditor(s) is/are to send a "First Reminder".

- g) After the expiry of a further period of one week from the date of sending out the "First Reminder", if no reply is received, the auditor(s) may consider sending a "Second Reminder" so marked on the standard letter of request.
 - h) In case, the reply is still not received after a "Second Reminder", the auditor(s) is/are to design and perform alternative audit procedures to obtain sufficient appropriate audit evidence.
- 3.2 The standard letter shall be used in its complete form for all audit requests, in accordance with the above procedures.
- 3.3 The standard letter of request contains the minimum requirements and if any additional information is sought by the auditor these can be included in the standard letter of request.
- 3.4 The auditor(s) is/are to require the banks to send responses to the confirmations, directly to the auditor's address.
- 4.0** The Suggested Format of letter for Debtor's Confirmation is attached as '**Appendix 3**'.

This revised ATR – 18 (2025) supersedes the requirement as contained in ATR – 18 (2012) and is applicable for audits of financial statements for periods ending on or after **June 30, 2025**.

Date.....

Name of Contact Person

Bank name

Address

Dear Sir,

STANDARD REQUEST FOR BANK INFORMATION FOR AUDIT PURPOSES

Name of customer: **[insert name] in accordance to Bank's records**

Company number: **[insert company's registration number]**

For the year/period ended: **[insert year/period end in full]**

As part of our audit of the financial statements of [Client's Name] for the year/ XXX months period ended [Date], we kindly request your assistance in confirming certain information regarding their accounts and transactions with your bank as at _____ and for the year / XXX months period then ending. Please send DIRECT to us at the above address the information on the attached format **annexed to this letter**.

It is understood that replies given by you will be treated with strict confidence for the purposes of our audit and shall only be disclosed as required by applicable laws, where required. Neither the request from us, as auditors of your customer, nor the bank response will create any contractual relationship with us.

Please ensure that all questions have been answered in full and state against each item any factors which may limit the completeness of your reply; if there is nothing to report, state 'None'. We request you to also disclose any additional information that, in your opinion, may be relevant to us as auditors of your customer.

Bank confirmations are to include the bank's stamp and signatures if provided in hard copy. For email confirmations, responses must be sent from the official bank email address. Any corrections or overwriting in the responses are to be authenticated with the bank's stamp and signature at the point of modification.

.....

Yours faithfully,

DISCLOSURE AUTHORISED

[Name of Audit Firm]

.....
For and on behalf of
(CUSTOMER'S NAME)

Signed in accordance with the terms and conditions for the
conduct of the customer's bank account.

INFORMATION REQUESTED FOR BANK REPORT FOR AUDIT PURPOSES

Name of customer: **[insert name] in accordance to Bank's records**

Company number: **[insert company's registration number]**

For the year/period ended: **[insert year/period end in full]**

1. Bank Accounts

| Account Name | Account Number | Type of Account | Currency | Balance as at year / period end including NIL balances (Debit/Credit) | Bank Charges | Profit / Markup/ Interest Earned | Remarks (see note) |
|--------------|----------------|-----------------|----------|---|--------------|----------------------------------|--------------------|
| | | | | | | | |

Notes:

- 1) Where the amount is subject to any restriction (e.g. a garnishee order or arrestment) or exchange control considerations (e.g. 'blocked account') information regarding nature and extent of the restriction shall be stated.
- 2) Where the authority upon which you are providing this information does not cover any amounts held jointly with other parties, please refer to your customer in order to obtain the requisite authority of the other parties with a copy to us.
- 3) Full titles and dates of closure of all accounts closed during the period.
- 4) The separate amounts accrued but not charged or credited as at the above date, of
(a) markup/interest; and
(b) provisional charges (including commitment fees)
- 5) The amount of markup/interest charged or credited during the period if not specified separately in the customer's statement of account.
- 6) Particulars (i.e. date, type of document and accounts covered) of any written acknowledgement of set-off, either by specific letter of set-off, or incorporated in some other document or security.

2. Bank Accounts Closed during the Year / Period (up to the date of your reply)

| No. | Title of Accounts Closed | Closure Date |
|-----|--------------------------|--------------|
| 1. | | |
| 2. | | |

3. Term Deposit Receipts (TDRs) issued by the Bank

| Account Name | Account Number | Issue Date | Outstanding Amount | Maturity Date | Markup/ Profit Rate |
|--------------|----------------|------------|--------------------|---------------|---------------------|
| | | | | | |

4. Facilities Granted

This includes details of leasing facilities, loans, overdrafts, and cash credit facilities (including standby facilities), specifying agreed limits, unused facilities, markup/interest terms, overdue rentals/ installments and in the case of term loans, date for repayment or review.

| Currency | Types of Facilities | | Reference No. | Markup/ Interest Rate | Markup/ Interest Charged during the Year / Period | Maturity Date | Overdue Amount | Guarantor/ Security Details | Repayment details/ other comment |
|------------------|---------------------|---------------------|---------------|-----------------------|---|---------------|----------------|-----------------------------|----------------------------------|
| | Total Limit Allowed | Total availed/ Used | | | | | | | |
| Local Currency | | | | | | | | | |
| Foreign Currency | | | | | | | | | |

Note:

- a) Where applicable, please provide details of restructuring / rescheduling of loan(s) which is currently in process.
- b) Where applicable, please provide details of loan(s) where possible legal action is under consideration by the bank.

| 5. Irrevocable Letters of Credit Outstanding | | | | | | |
|--|---------------|--------------|---------------|--------------------|-------------|---------------|
| Details | Reference No. | Total Amount | Limit allowed | Balance Unutilized | Expiry Date | Security held |
| | | | | | | |

| 6. Guarantees | | | | | | | |
|---|----------------|-----------------------------------|--------------|------------------|-------------|-------------------|--------|
| Given by the Bank on Customer's behalf | To whom issued | Reference No. / Type of Guarantee | Total Amount | Guarantee Issued | Margin Held | Guarantee Charges | Expiry |
| i) Any Guarantees | | | | | | | |
| ii) Others (specify type of guarantee e.g. financial guarantee, performance bond, etc.) | | | | | | | |
| Received by you on our behalf | | | | | | | |

Notes:

- (a) Details of any guarantees, comfort letters, letter of undertakings, bonds, endorsements or indemnities given to you by the customer in favor of third parties (separately specifying any such items in favor of any subsidiary or related party of the customer);
- (b) Details of any guarantees, bonds or indemnities given by you, on your customer's behalf, stating where there is recourse to your customer and/or to its holding, parent or any other company within the group;
- (c) Total of outstanding liabilities under documentary credits;
- (d) Others (please give details).

7. Assets under Islamic Mode of Financing

| Nature | Amount | | Maturity Date of Assets covered under Islamic Mode of Finance <i>(e.g. Morabaha, Musharika, Modaraba, Ijarah, Diminishing Musharika etc.)</i> | Security details | Any Other Mode of finance: | | |
|--------|-------------|--------------|--|------------------|----------------------------|------------------------|---------------------|
| | Total Limit | Limit Aailed | | | Asset Repurchase Agreement | Asset Resale Agreement | Options Outstanding |
| | | | | | | | |
| | | | | | | | |

8. Acceptance Outstanding in your books

| Description | Reference No. | Amount | Issue Date | Maturity Date |
|---|---------------|--------|------------|---------------|
| Bills Receivable by you (Banker) | | | | |
| Bills held by you for Collection | | | | |
| Details of any partial payments held by you | | | | |

9. Safe Custodies

| Nature | Amount (PKR) | Extent of any facilities limits | Period of availability of agreed facility of all contingent liabilities |
|---|--------------|---------------------------------|---|
| Investments | | | |
| Bills of exchange | | | |
| Bills discounted | | | |
| Documents of title or other assets held but not charged | | | |

Notes:

Please give details of the following:

- (a) Total of bills discounted with recourse to the customer or any subsidiary or related party of the customer;
- (b) Details of any guarantees, comfort letters, letter of undertakings, bonds, endorsements or indemnities given to you by the customer in favour of third parties (separately specifying any such items in favour of any subsidiary or related party of the customer);
- (c) Details of any guarantees, bonds or indemnities given by you, on your customer's behalf, stating where there is recourse to your customer and/or to its holding, parent or any other company within the group;
- (d) Total of acceptances;
- (e) Total of outstanding liabilities under documentary credits;
- (f) Others (please give details).

| 10. Assets held as Security | | | | | | |
|------------------------------------|---------------------------------|-------------------|---|-------------------|-------------------|------------------|
| No. | Land Title | Title deed number | Nature of Charge (pledge, hypothecation etc.) | Address/ location | Amount Charged | Registered Owner |
| | | | | | | |
| | | | | | | |
| No. | Shares | Name of Co. | Share certificate no. | No. of shares | Amount Charged | Registered Owner |
| | | | | | | |
| | | | | | | |
| No. | Debenture | Charge no. | Date created | Description | Amount | |
| | | | | | | |
| | | | | | | |
| No. | Fixed Deposit | Certificate no. | Amount | Maturity Date | Name of Depositor | |
| | | | | | | |
| | | | | | | |
| No. | Guarantee/ Contingent Liability | Nature/ Purpose | Amount | Beneficiary | Obligator | Tenure |
| | | | | | | |
| | | | | | | |

For any other security not mentioned above, please give similar details.

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
|--|--|--|--|--|--|--|

Note: Please give details (in summary form, if numerous) of any assets held as security for facilities given to your customer. If a security is limited in amount or to a specific borrowing, please indicate.

| 11. Derivative Contracts / Structured Product Contracts Outstanding / Commodity Trading | | | | | | |
|--|-------------------------------------|------------------------|--|---|--------------------|----------------------|
| Description | Contract No. & deal date | Notional Amount | Contract Rate/ Price at which the deal was transacted | Currency of contract bought/sold | Fair values | Maturity Date |
| i. Foreign exchange Contracts | | | | | | |
| ii. Interest Rate Contracts | | | | | | |
| iii. Bullions | | | | | | |
| iv. Securities | | | | | | |
| v. Other derivative contracts/ structured product contracts | | | | | | |

Notes: Information in respect of any letter of comfort obtained / issued by the bank from the parent or any other associated concern of the company.

12. Additional Banking Relationships

A list of other banks, or branches of your bank, where you are aware that a relationship has been established during the period.

13. Any Other Information (if any)

.....
Bank's Stamp and Authorised Signature

GLOSSARY OF TERMS:**(1) BANK ACCOUNTS:**

The phrase 'all accounts' includes details of all current, deposit, loan and foreign currency accounts and other advances or facilities, money held on deposit receipt and account numbers.

(2) ANALYSIS OF CHARGES:

The details of the rate of mark-up / interest applicable to any mark-up / interest-bearing account shall be required.

(3) CUSTOMER'S ASSETS:

- a) Security includes details of charge, mortgage or other claims or security or security registered (e.g. debenture, memorandum of deposit); assets charged and where appropriate cross reference to facility specifically secured.
- b) Assets include bonds, stock and share certificates, investments, bearer or other securities; title deeds relating to freehold, leasehold or other property; bills of exchange or other negotiable instruments receivable (other than cheques); deposit receipts (as distinct from any account represented by the deposit receipt); the names of persons who are able to obtain release of the assets shall be ascertained from the customer and are usually covered by the bank mandate.
- c) Lien: Auditors shall be aware that any assets held by the bank other than those specifically charged, may be subject to some form of banker's lien, although this may only operate under particular conditions. It shall be necessary to enquire only in exceptional circumstances.
- d) Bearer securities: Detailed enquiries on bearer securities shall be made of the bank only when evidence cannot be obtained from the customer or his banking records.

(4) CONTINGENT LIABILITIES:

The liabilities under indemnities / guarantees given in respect of shipping documents relating to imports do not have an expiry date. From time to time the banks take a view on old liabilities and remove some of them from their records. Certain of these old liabilities may not therefore be shown in the figure quoted by the bank, but it cannot be guaranteed that no claim will be incurred subsequently.

(5) OTHER INFORMATION:

Banks are often asked for introductions to other branches or banks for the purpose of establishing new sources of finance. The provision of any available information relating to introductions or new accounts will assist auditors to satisfy themselves that they have information about all of their client's banking relationship.

CLIENT AUTHORISATION LETTER TO OBTAIN BANK CONFIRMATION

Date

Name of Contact Person.....

Bank name.....

Address.....

Dear Sir,

AUTHORITY TO OBTAIN BANK CONFIRMATION (MANUALLY / ELECTRONICALLY)

I/ We hereby authorize [name of audit firm] to obtain the bank confirmation (manually/ electronically).

I/ We give my/ our consent to disclose to [name of audit firm] the information requested.

.....
(Name of customer)

Signed in accordance with the mandate for the conduct of the customer's bank account

.....
[Authorised signature]

Date: [insert date]

**SUGGESTED FORMAT OF LETTER FOR DEBTOR'S
CONFIRMATION BY DIRECT COMMUNICATION
(TO BE TYPED ON CLIENT'S LETTERHEAD)
DEBTOR'S NAME AND ADDRESS**

Dear Sir,

As part of their normal audit procedures, we have been requested by our auditors _____ of _____ to ask you to confirm direct to them your indebtedness to us of Rs. _____ as at _____.

If the amount is in agreement with your records, please sign in the space provided below and return this letter directly to our auditors.

If the amount is not in agreement with your records please notify our auditors directly of the amount shown by your records and, if possible, send them full particulars of the difference.

For your reply to be of assistance to our auditors please give this request your early attention. *We enclose a prepaid envelope for your convenience.

Please do not send remittances to the auditors along with the confirmation.

Yours faithfully,

CLIENT'S AUTHORISED SIGNATORY

**PLEASE DO NOT DETACH
(CLIENT'S NAME)
DEBTOR'S NAME:**

NO:

The amount shown above of Rs. _____ due from us *is/ [is not] in agreement with our records at _____. *The details of discrepancies are annexed.

Authorized Signature & Stamp
Title of Position

* Delete as appropriate (stamped self-addressed return envelope by the auditor's shall be enclosed)

SUGGESTIONS FOR IMPROVING THE RATE OF FEEDBACK FOR DEBTORS' CONFIRMATIONS

The efficiency of the audit procedure of debtor's confirmation through direct communication is influenced by both the willingness and ability of debtor to respond accurately to the information presented on the letter of confirmation. Improving confirmation feedback rate may reduce the extent of other audit procedures that the auditor may have planned to undertake. Some suggestions for improving the rate of feedback are as follows:-

(a) Preliminary notification

The use of a brief letter, post card, or telephone call by the client immediately before posting the letter generally tends to increase responses as the debtor is less likely to ignore the letter having been previously notified.

(b) Request for information that the debtor is able to confirm

The confirmation request shall include all the relevant information required for a response by the debtor.

(c) Use clear wording

The confirmation request is to avoid technical jargon and shall be written in simple language to facilitate an early and effective reply (including Urdu or vernacular, where considered necessary).

(d) Set deadlines

The confirmation shall state deadlines e.g. REPLY REQUESTED WITHIN 5 DAYS.

(e) Provide return envelopes

Return envelopes that have the firm's name and address printed in bold are likely to draw attention to confirmations and are likely to encourage debtors to respond early.

(f) Provide prepaid postage

To facilitate responses, auditors normally include a stamped self-addressed return envelope along with each confirmation.

(g) Send follow-up reminders/second requests

Sending reminders/second request soon after sending the initial letter are likely to increase feedback rates.