



Audit Bulletin

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UPDATES FROM AUDITING STANDARDS & ETHICS BOARD

1. Compliance with SOE Act 2023

ASEB issued Circular No. 17/2025 dated October 9, 2025, drawing members' attention to a notification received from the Central Monitoring Unit (CMU), Finance Division, Government of Pakistan, regarding compliance with Section 25(3) of the State-Owned Enterprises (Governance and Operations) Act, 2023 and the related State-Owned Enterprises, Ownership and Management Policy, 2023.

The circular highlights the requirement for inclusion of the Board's solvency and compliance declaration as other information in the annual report and outlines auditors' responsibilities under ISA 720 (Revised), relating to other information, and ISA 570 (Revised), concerning going concern. It further emphasizes that audit firms engaged in SOE audits should incorporate appropriate audit procedures to address these requirements, noting that compliance will be reviewed by CMU as part of its monitoring and evaluation of SOEs. Circular 17 can be accessed using the [link](#).

2. Time Estimation and Documentation

ASEB issued Circular No. 18/2025 dated October 10, 2025, inviting comments on proposed requirements relating to time estimation and documentation for audit engagements of Public Interest Companies (PICs). The circular aims to strengthen audit planning, enhance audit documentation, and support effective audit quality management. Circular 18 can be accessed using the [link](#).

3. Draft Format of Independent Auditor's Limited Assurance Report on Sustainability Information

ASEB issued Circular No. 19/2025 dated October 17, 2025, inviting feedback on the draft format of the Independent Auditor's Limited Assurance Report on Sustainability Information. The draft format has been developed to support the consistent application of limited assurance engagements and to promote uniformity and quality in sustainability reporting. Circular 19 can be accessed using the [link](#).

4. Mandating public disclosure of 'Audit Quality Indicators (AQIs)' by Audit Firms for audits of Public Interest Companies (PICs)

ASEB issued Circular No. 20/2025 dated October 17, 2025, inviting comments on the proposal to mandate public disclosure of Audit Quality Indicators (AQIs) by audit firms conducting audits of Public Interest Companies (PICs). The initiative aims to enhance transparency, promote audit quality, and strengthen stakeholders' confidence in the audit profession. Circular 20 can be accessed using the [link](#).

5. Session with AOB Registered Audit Firm Partners

ASEB organized an interactive consultation session with partners of AOB-registered audit firms on November 14, 2025, held at ICAP House, Karachi, and via online platform. The session focused on obtaining stakeholders' feedback on ASEB's recent initiatives, including circulars on sustainability assurance reporting, Audit Quality Indicators (AQIs), and time estimation and documentation, to support effective implementation and continuous improvement in audit quality.

INTERNATIONAL DEVELOPMENT

1. IESBA Handbook 2025 Edition Now Available

The International Ethics Standards Board for Accountants (IESBA) has issued the 2025 Edition of the Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards). The updated handbook incorporates the Tax Planning Standards, that are effective for tax planning services and activities beginning after June 30, 2025.

The new edition also includes revisions on Using the Work of an External Expert and Sustainability Reporting-related Revisions, which will take effect in December 2026, while certain independence provisions related to value chains will be effective from July 2028. Volume 2 introduces the International Ethics Standards for Sustainability Assurance (including Independence Standards) [IESSA], marking a key milestone in strengthening global ethics and independence requirements. Details can be accessed using this [link](#).

2. IESBA Conference 2025 Videos and Speeches Now Available

The IESBA Ethics and Independence Conference 2025, held to mark Global Ethics Day 2025, brought together around 800 participants, including over 200 in-person attendees and 35 speakers from across the globe. Videos and speeches from the conference are now available on the ethics Board website.

Key sessions explored themes such as ethical conduct and information quality in accounting and auditing, importance of ethics in building trust in global financial markets, the trust and transparency in Capital Markets etc. The conference, held under the theme “Ethics Re-Envisioned”, forms part of IESBA’s broader October initiatives to strengthen dialogue on the evolving role of ethics in the accounting profession and financial system. Details can be accessed using this [link](#):

3. IAASB Publishes New Illustrative Reports to Support ISSA 5000 Implementation

The IAASB has published a new set of illustrative practitioner’s assurance reports to support implementation of ISSA 5000, General Requirements for Sustainability Assurance Engagements. Developed in collaboration with jurisdictional auditing and assurance standard setters, these examples provide practical guidance for applying ISSA 5000 in real-world scenarios.

The publication includes five examples of reports with unmodified assurance conclusions covering engagements such as assurance on sustainability disclosures aligned with IFRS S1 and S2, selected sustainability disclosures, multiple reporting frameworks, and combined limited and reasonable assurance engagements. It also includes three examples of reports with modified conclusions - qualified, disclaimer, and adverse. These illustrative reports aim to help practitioners apply ISSA 5000 consistently and confidently, reflecting emerging questions and challenges in practice. Details can be accessed using this [link](#):

4. AI in Finance & Accounting — New IFAC Video Series

IFAC and Chartered Accountants Worldwide (CAW) Network USA hosted an event on AI in Finance & Accounting on December 10, 2025 at Fordham University, New York. Experts from practice, industry, technology, and academia discussed AI’s impact on business and the evolving role of accountants, emphasizing trust, design, and leadership responsibilities. Key insights were shared through five short videos highlighting AI-driven change, innovation, and the future role of accountants. The initiative reflects IFAC’s focus on supporting the profession’s adaptation to digital transformation while maintaining integrity and public interest. Details can be accessed using this [link](#):



Technical services department look forward to your comments and feedback and can be shared at: shehryar.abdullah@icap.org.pk

Disclaimer

This publication is intended to provide a summary of developments relating to audit during the quarter, legal and regulatory matters and matters under consideration of ASEB.

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