

Terms of Reference (TOR)

Digital Assurance and Accounting Board (DAAB) Institute of Chartered Accountants of Pakistan

Objective

1. The Institute of Chartered Accountants of Pakistan (ICAP) has established Digital Assurance and Accounting Board (DAAB) with the objective to serve the public interest; to contribute policy recommendations; and to provide support towards embedding technology based solutions in accounting, assurance and various businesses.

The scope of DAAB encompasses the active contribution towards the application of emerging technologies, such as, the concepts of Artificial Intelligence, Internet of Things, Smart Contract, Smart Industry, Cyber Laws, Digital literacy and Block chain in academia, audit firms, and industry to deal with all other cognate areas which fall under its ambit.

Functions of the DAAB

2. Following are the functions of the DAAB:
 - 2.1. To monitor the digital technologies and the trends impacting the profession and practice of Accounting.
 - 2.2. To monitor the digital technologies and trends impacting the education, training and examinations of chartered accountants.
 - 2.3. To monitor the cyber and related laws impacting the profession and practice of accounting.
 - 2.4. To identify the issues relating to Accounting, Reporting, Audit & Assurance, Data Security etc.
 - 2.5. To engage with relevant Committees internally and with standard setters, Government, regulators, industry and other accounting bodies externally, whenever necessary in consultation with the President.
 - 2.6. To support by suggesting/ identifying key changes or issues for focus in Accounting Standards, Assurance Standards, Valuation Standards etc. to the relevant Committee(s)/ Board(s).
 - 2.7. To create and disseminate necessary technical knowledge through research papers, journals, conferences, workshops, seminars and training programs for awareness and learning of students, members and the concerned stakeholders.
 - 2.8. To recommend actions and interventions to the Council on digital technologies.
 - 2.9. To recommend to the institute collaboration and certifications with local or international universities, IT companies, institutions and professional bodies in digital and technology areas.
 - 2.10. To conduct studies, surveys and research best practices on technology

- 2.11. To perform any other related activity other than the aforementioned in consultation with the President.

Communication and Reporting

3. DAAB would observe the following communication and reporting protocol:
 - 3.1 Correspondence with local and international parties including regulators on important policy matters will be done in consultation with the President of ICAP through Secretary of the Institute.
 - 3.2 DAAB shall prepare and submit, within three months, its annual report to the Council giving details of its work carried out during the year (July – June).

Composition of the Board

4. The Board shall comprise of not more than sixteen members. This number can be increased/ decreased with the concurrence of the President and the ratification by the Council. The chairman and members of the Board shall be nominated as follows:
 - 4.1 A Member of the Council shall be the chairperson.
 - 4.2 Not more than 08 Members including 03 Council members (Chairperson DAAB, Chairperson ETCOM, representation of North or South Council Members) and remaining representing Industry /business/Audit firms
 - 4.3 Not more than 04 IT experts from amongst the non-members.
 - 4.4 Not more than 03 members from government organizations (including SBP, ICMAP, AGP or SECP etc.)
 - 4.5 Not more than 02 members from local or international education institutes.
 - 4.6 Stakeholders and other experts may be invited by the Chairperson to attend meetings for discussing specific agenda items.

Consultative Working Groups

5. DAAB shall establish consultative working groups to provide it with advice and recommendations as required. The composition of a working group would reflect the purpose for which the group is being formed, bearing in mind the need to ensure that it draws on a diverse and broad membership.
6. The chairperson and Director education and Training will form the consultative working groups

Term of DAAB and its members

7. The term of DAAB and its members is as follows:
 - 7.1 The DAAB shall be a perpetual board.
 - 7.2 The chairperson shall be nominated for a period of two years.
 - 7.3 Other members shall be nominated for a period of two years.
 - 7.4 Fifty percent of the members may serve up to two consecutive term.

Casual Vacancy

8. In case of any vacancy the new member shall be nominated by the by the respective nominating body or Chairman DAAB in consultation with the Secretary of the Institute within sixty days for remaining period of the member vacating his/her position.

Cessation of Membership

9. A member of the Board shall cease to be a member under the following circumstances:
 - 9.1 Upon acceptance by DAAB of his/her resignation, given in writing (electronic or non-electronic) to the Secretary.
 - 9.2 Members who fail to attend three consecutive meetings without leave of absence from the Chair.

Secretary

10. The Secretary of the Board shall be nominated by Secretary ICAP in consultation with Chairman of the Board.

Meetings

11. The procedure for meetings shall be as follows:
 - 11.1 The quorum of DAAB will be at least six members or one-third of the DAAB's composition whichever is higher including the Chairperson.
 - 11.2 DAAB will meet as and when required, but should meet at least once in three months.
 - 11.3 Agenda and working papers (if any), should be circulated to its members.
 - 11.4 DAAB meeting cannot be attended by proxy by any of its members.
 - 11.5 The minutes shall be prepared to record discussions of potential projects, technical issues and decisions take place during its meetings and same should be circulated to its members.

Others

12. DAAB may also communicate between meetings electronically or non-electronically for comments on any urgent matter or to poll initial views on a proposed topic for focused discussion during planned meeting.
13. DAAB may frame guidelines for its operations and procedures as and when required.

Publication

14. The DAAB Secretary in consultation with Chairperson decides the communication material to accompany the release of a DAAB approved guide.
15. Depending on the nature of the new requirements, the DAAB Secretary may also develop, and make freely available, presentations and other communications materials.