



**The Institute of
Chartered Accountants
of Pakistan**

HEAD OFFICE

ICAP/PSC/2007/Circular No. 10

July 6, 2007

**ALL PRACTICING MEMBERS OF THE INSTITUTE -
ISLAMABAD/RAWALPINDI/PESHAWAR**

Dear Sir

**ROUND TABLE ON QUALITY CONTROL STANDARDS -
INTERNATIONAL STANDARD ON QUALITY CONTROL (ISQC) 1 AND ISA 220**

The Institute of Chartered Accountants of Pakistan (ICAP) is holding a Roundtable on Quality Control Standards issued by International Federation of Accountants (IFAC), i.e. ISQC 1 and ISA 220 on **Saturday, July 14, 2007 from 2:00 p.m. to 5:00 p.m. at ICAP Office Islamabad.**

The IFAC has recently issued International Standard on Quality Control (ISQC) on "Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements". The purpose of this ISQC is to establish standards and provide guidance regarding a firm's responsibilities for its system of quality control for audits and reviews of historical financial information, and for other assurance and related services engagements.

Statements of Membership Obligations (SMOs) are issued by the IFAC Board and provide clear benchmarks to current and potential IFAC member organizations to assist them in ensuring high quality performance by professional accountants. The Statements cover a member body's obligations to support the work of IFAC, the work of the International Accounting Standards Board, and obligations regarding quality assurance and investigation and discipline. The SMOs will form the basis of the IFAC Member Body Compliance Program. Member bodies will be required to perform self-assessments of their compliance with each of the SMOs including an assessment of actual standards in place in comparison to the relevant IFAC standards.

SMO 1 requires member bodies of IFAC to establish and publish quality control standards and guidance requiring firms to implement a system of quality control in accordance with the ISQC 1. Under ISQC 1, a firm of professional accountants has an obligation to establish a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and applicable regulatory and legal requirements, and that the auditor's reports issued by the firm or engagement partners are appropriate in the circumstances whereas ISA 220 requires that the engagement team should implement quality control procedures that are applicable to the individual audit engagement.

ICAP is considering adopting ISQC 1 in the near future. Upon adoption, the compliance of the standard would become mandatory for the ICAP member firms. Based on the current results of the Quality Review Program carried out by ICAP, the firms have to come up with strategies to fill the gaps between the existing systems and ISQC 1 on serious and immediate basis. The objective of this roundtable is to have an interactive session and open discussion which will help the practicing members in understanding the importance of the said standards and facilitate the firms for the preparedness of

(Established under the Chartered Accountants Ordinance, 1961-X of 1961)

Chartered Accountants Avenue, Clifton, Karachi-75600 (Pakistan) Ph: (92-21) 111 000 422 Fax: 9251626

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ISQC 1. The members would also be invited to share their views/ presentation (about 5 minutes) on the above Standards.

Hard copies of these standards may be obtained by request to the undersigned or may be downloaded from the Institute's website from the following link:

<http://www.icap.org.pk/OCR/ISQC/index.htm>

We would appreciate if you could review these documents and submit your comments, if any, before the meeting to the undersigned.

Considering the potential impact of these standards on the smaller and medium sized firms, it is expected that relevant **partners and managers** of such firms will actively participate in this meeting. Kindly confirm your participation by contacting Ms. Tahmeen Ahmad at ICAP Islamabad Office at tahmeen.ahmad@icap.org.pk or telephone no. 051-9266624 by July 11, 2007.

Program of the meeting is enclosed.

Thanking you.

Yours truly

Muhammad Asif Iqbal
Director
Professional Standards Compliance & Evaluation

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PROGRAM

Venue : ICAP Office Islamabad

Date & Time : Saturday, July 14, 2007, 2:00 pm to 5:00 pm

CPD Credit : 3 Hours

Session Chairman : Mr. Zafar Iqbal Sobani, Chairman Quality Assurance Board

Other Guest : Mr. Rashid Rahman Mir, Council Member and Member QAB

	Time
Arrival of Guests and Registration	1.45 pm
Guests to be seated	2.00 pm
Recitation from the Holy Quran	2.00 – 2.05 pm
Brief Introduction of the subject and methodology of the roundtable by Mr. Zafar Iqbal Sobani	2.05 – 2.15 pm
Presentation on ISQC 1 and ISA 220 by Syed Fahim-ul-Hasan Partner, A.F. Ferguson, a member firm of PWC	2.15 – 3.45 pm
Tea Break	3.45 - 4.00 pm
Presentation on Gap Analysis viz a viz SMO 1, ISQC 1 and ISA 220 by Muhammad Asif Iqbal, Director, Professional Standards Compliance & Evaluation	4.00 - 4.20 pm
Views of Stakeholders / Open discussion / Q & A session	4.20 – 4.50 pm
Comments by Mr. Rashid Rahman Mir	4.50 – 5.00 pm
End of Session	5.00 pm

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