

QUALITY ASSURANCE BOARD

Report 2025

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Message from the Chairperson Quality Assurance Board

It is my privilege to present the Report of the Quality Assurance Board (QAB) for the year 2025.

The audit profession continues to operate in a landscape of rising stakeholder expectations, heightened global regulatory scrutiny, and rapid transformation. In such an environment, the pursuit of consistent audit quality is not only critical but also a collective responsibility across the profession. Our efforts throughout the year remained focused on continuous improvement, innovation, and the strengthening of quality controls to reinforce stakeholder confidence and safeguard the public interest.

Adoption of the Revised QCR Framework 2024

A key achievement this year was the adoption of the Revised QCR Framework 2024, as directed by the AOB. The framework introduced major enhancements, including the classification of Large-Sized Firms for annual reviews and the introduction of partner-wise ratings. To support effective implementation, QAB, through QAD, held awareness sessions to help firms adapt to these new requirements, underscoring the need for a highly skilled and capable QAD team to manage the increasing complexity of reviews.

Strategic Alignment with the Audit Oversight Board

Our collaboration with the AOB remained strong and constructive throughout the year, ensuring alignment with regulatory priorities and reinforcing our shared commitment to enhancing audit quality in the public interest. This close coordination continues to be essential as we navigate the complexities of the modern audit environment.

Building Capacity, Strengthening Teams:

In recognition of evolving global standards, we prioritized capacity building for both the profession and QAD. Focused training programs on ISQM 1 and ISQM 2 enhanced alignment with international best practices and strengthened our team's technical capabilities. Encouragingly, unlike previous years, we successfully retained QAD's core team despite high global demand for skilled auditors—ensuring stability, continuity, and a stronger foundation for consistently delivering high-quality reviews.

Partnering for Growth, Not Just Oversight

A highlight of our outreach initiatives was the QAD session in the SMP Audit Skills Enhancement Series, which drew strong participation from both professionals and students. This platform proved invaluable for deepening awareness of the QCR process, addressing common deficiencies, and fostering engagement with the next generation of auditors.

From National Oversight to International Impact

Beyond our borders, QAB reached an important milestone by training a foreign regulator on audit quality control practices, a first of its kind for our institution. This achievement not only underscores the credibility and maturity of Pakistan's audit oversight framework but also highlights our growing role in fostering international collaboration and knowledge exchange. By contributing to the global dialogue on audit quality, QAB is helping to strengthen cross-border consistency in standards, elevate professional practices, and enhance confidence in the audit profession worldwide.

QCR: Strengthening Assurance Through Rigorous Reviews

The QCR program remained central to our mandate, evaluating firms' compliance with ISAs, IFRS, and other regulatory requirements. Reviews covered both audit engagements and firms' systems of quality control. In 2025, QAD completed reviews of 67 firms (2024: 65), with findings and ratings presented to the Board for conclusion. A summary of ratings is provided below:

Category of Ratings as Per QCR Framework	2025	2024
Satisfactory	45	38
Satisfactory, with Improvements Required	22	24
Unsatisfactory	0	3
Total	67	65

Appreciation and Way Forward

On behalf of the Board, I extend sincere appreciation to audit firms for their cooperation and commitment during the QCR process, and to the QAD team for their dedication and perseverance in this transformative year. Moving forward, QAB remains committed to strengthening audit quality, building professional capacity, and upholding the principles of independence, integrity, and excellence in service of the public interest.

On behalf of the Board

Kauser Safdar, FCA

Chairperson, Quality Assurance Board

Overview of Results of Quality Control Reviews (QCRs)

Introduction

A summary of the review activities undertaken during the year ended June 30, 2025 along with a brief description of the QCR process, is reflected in this section.

Scope of review

The QCR includes an engagement review and a review of the system of quality control/management within that firm. While reviewing an audit firm other than large sized firms (LSF) at least 50% of the audit partners are selected however, for Large sized firms the partner coverage is at least 33% with annual review cycle.

Quality Control Reviews

Overview of Results of Quality Control Reviews (QCRs)

The table below summarizes detail of QCRs concluded during the year 2024-25 in comparison with last two years:

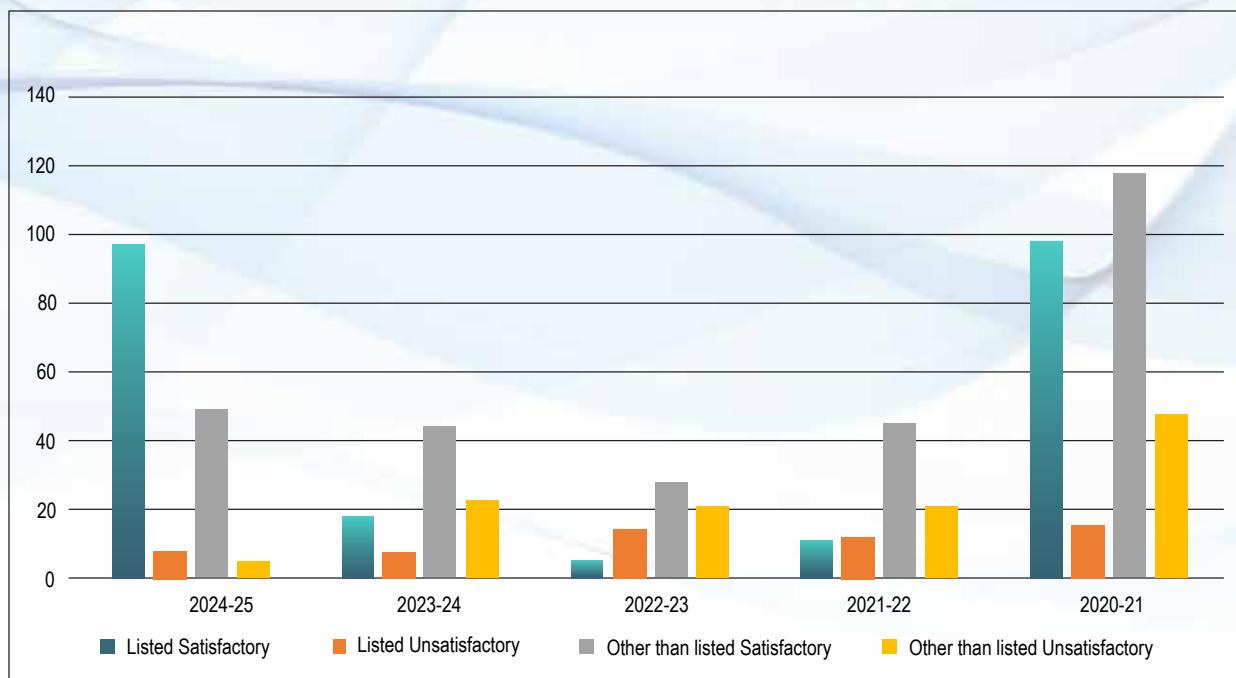
Particulars	2024-25	2023-24	2022-23
Audit Firms Reviewed	67	65	40
Number of Engagements Reviewed	135	159	92
Number of Firm Offices Visited Across Pakistan	96	71	55

Summary of Engagement Reviews

The following table summarizes assessment of individual audit engagements reviewed over the last five years:

	Listed		Other than listed		Total
	Satisfactory	Unsatisfactory	Satisfactory	Unsatisfactory	
2024-25	54	4	70	7	135
2023-24	97	8	49	5	159
2022-23	18	7	44	23	92
2021-22	5	14	28	21	68
2020-21	11	12	45	21	89

Summary of QCRs

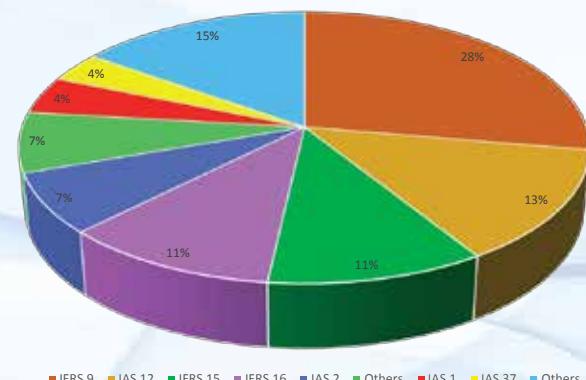
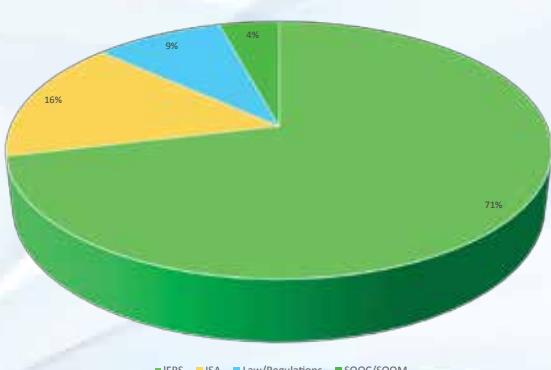


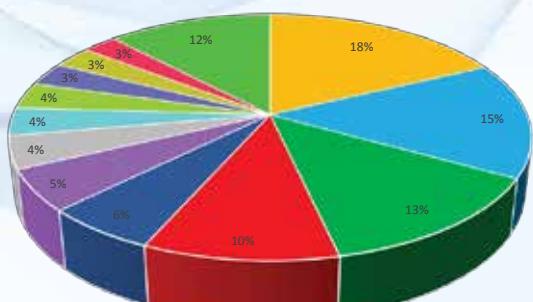
Summary of Significant and Recurring Observations

The following charts provide a thematic visual summary of the observations noted during the review cycle. They present:

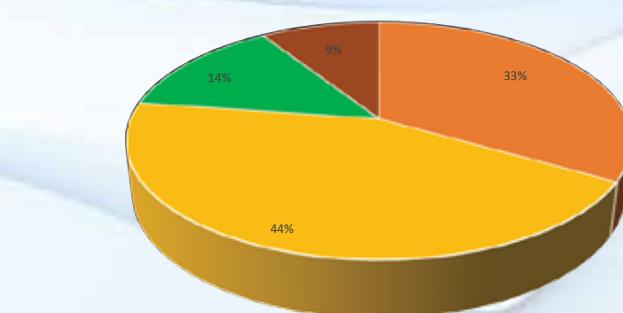
1. The overall distribution of observations across IFRS, ISAs, Laws/Regulations, and SOQC/SOQM;
2. IFRS-related observations broken down by individual standards;
3. ISA-related observations categorized by respective auditing standards; and
4. Observations arising under applicable Laws/Regulations.

These visuals highlight key areas of non-compliance and support targeted improvement efforts.





ISA 230 ■ ISA 500 ■ ISA 315 ■ ISA 240 ■ ISA 505 ■ ISA 530 ■ ISA 320
 ISA 520 ■ ISA 580 ■ ISA 720 ■ ISA 220 ■ ISA 570 ■ Others



Companies Act 2017 ■ Others ■ Sales Tax Act 1990 ■ Income Tax Ordinance

The following are significant and recurring observations noted during the Quality Control Reviews (QCRs) of audit firms conducted throughout the year. These observations highlight the need for enhanced audit quality and compliance with International Standards on Auditing (ISAs) and regulatory requirements.

1. Audit Report (Audit Conclusions and Reporting)



Relevant ISAs: 570, 700, 701, 705, 706, 710, 720 Other Regulations: Auditors (Reporting Obligations) Regulations, 2018 (The Regulations).

1.1 Missing “Other Information” Section (ISA 720)

Instances were noted where auditors frequently omitted the mandatory “Information Other than the Financial Statements and Auditor’s Report Thereon” section, despite the presence of Directors’ Reports under Section 226 of the Companies Act, 2017 — a breach of ISA 720 and the Regulations.

In other cases, discrepancies between the Directors’ Report and financial statements (e.g. production capacity, operating performance, or business activities) were not investigated or mentioned in the auditor’s report, contrary to ISA 720 paragraphs 13-14.

1.2 Deficiencies in Report Wording and Presentation

Instances were noted where audit reports contained incorrect wording or presentation (e.g., “income” used instead of “loss”, informal valedictions, misplaced Other Matter paragraphs) showing weak report template control and insufficient review, contrary to ISA 700/706 and the 2018 Regulations.

1.3 Unique Document Identification Number (UDIN)

Instances were noted where UDINs stated on audit reports could not be verified through the ICAP UDIN verification portal. The discrepancies arose due to errors in data entry or failure to update financial figures in the UDIN record. This undermines report authenticity and demonstrates inadequate quality control over statutory reporting.

1.4 Inappropriate and Inconsistent Audit Opinions (ISA 705, ISA 570)

Instances were noted where auditors issued unmodified opinions despite material non-compliance with accounting standards such as IAS 19, IAS 12, and IFRS 9. The absence of appropriate opinion modification indicates weak evaluation of material misstatements in accordance with ISA 705 and ISA 700.

Additionally, instances were also noted where audit reports included Material Uncertainty Related to Going Concern paragraphs even though the financial statements were prepared on a non-going concern basis—a direct breach of ISA 570 paragraph 21.

1.5 Missing Prescribed Paragraphs (Auditors' Responsibilities Section)

Instances were noted where audit reports lack mandatory wording prescribed under the Auditors' Reporting Obligations Regulations, 2018 relating to the auditor's responsibilities, communication of independence compliance, and reporting of significant matters to the Board. This results in non-standardized and incomplete audit reporting under ISA 700.

1.6 Omission of Engagement Partner Name (ISA 700 / Regulation)

Instances were noted where audit reports did not mention the engagement partner's name as required under ISA 700 paragraph 46 and the Regulations. This omission contravenes transparency requirements and weakens accountability in public reporting.

2. Planning & Risk Assessment



Relevant ISAs: ISA 315, ISA 300, ISA 330, ISQM 1.

2.1 Incomplete Risk Assessment procedures

Instances were noted where audit planning (ISA 300) was not adequately documented, and detailed risk assessment procedures together with basis for sample selection and the rationale for key audit procedures were missing or incomplete, reflecting poor application of ISA 530 and ISA 230.

2.2 Ignoring key industry and business risk

Instances were noted where the identification and assessment of risks of material misstatement did not consider key industry and business risks, such as valuation of inventory, related party transactions, and revenue recognition (ISA 315).

2.3 Risk assessment considered as static activity

Instances were noted where risk assessment was treated as a one-time activity, with no evidence of reassessment during the audit when circumstances changed. Such instances were noted where auditors accepted balances and disclosures without revising risk assessments for high-risk areas such as related parties, unrecorded taxes, or contingent liabilities, contrary to ISA 330.

2.4 Risk assessment lacks linkage

Instances were noted where analytical procedures performed during planning were mechanical and lacked correlation with identified risks, undermining the purpose of ISA 520.

2.5 Journal Entry Testing

Instances were noted where auditors failed to perform journal-entry testing or completeness procedures for liabilities, and no evidence was found of analytical procedures to identify management override risks (ISA 240, ISA 315).

3. Audit Materiality (ISA 320)



3.1 Performance materiality

Instances were noted where performance materiality was determined at the same level as planning materiality without documented rationale. In some cases, justification on the haircut was not documented.

3.2 Rational for materiality setting

Instances were noted where the basis of setting materiality was not supported by appropriate benchmarks, or adjustments for qualitative factors were not considered in accordance with ISA 320.

3.3 Materiality Revision

Instances were noted where auditors did not revise materiality thresholds in response to identified misstatements or new risk factors during the audit, contrary to ISA 320's requirement for reassessment when circumstances change.

4. Acceptance and Continuance (ISQM 1, ISA 220)

Relevant: ISA 210, ISA 510, ICAP Code of Ethics (R540, R320).

4.1 Independence

Instances were noted where documentation relating to client acceptance and continuance was missing or incomplete, particularly with respect to evaluation of management integrity and independence threats. Instances were noted where independence declarations from partners and staff were not updated annually, contrary to the firm's stated quality control policies and ISQM 1 requirements.

4.2 Continuance approval

Instances were noted where engagement partner approval for continuation of high-risk clients was not evidenced in the file.

4.3 Professional clearance

Instances were noted where audit engagements commenced before obtaining professional clearance from predecessor auditors or formal appointment approval from the board, contrary to ISA 510 and Section R320 of the ICAP Code of Ethics.

4.4 Rotation check

Instances were noted where partner rotation requirements were not complied with, and no documented safeguards were in place to mitigate familiarity threats, contrary to R540.11 of the ICAP Code of Ethics.

5. Engagement Letter

Relevant: ISA 210, Companies Act.

5.1 Prior to commencement of fieldwork

Instances were noted where engagement documentation such as consent letters, appointment resolutions, and fieldwork initiation were inconsistent, reflecting weak adherence to ISA 210's requirement to agree on the terms of engagement before audit commencement.

5.2 Not signed by entity's representatives

Instances were noted where engagement letters were not obtained for recurring audits or were not signed by appropriate client representatives, in violation of ISA 210.

5.3 Responsibility of auditor

Instances were noted where the scope of engagement and auditor's responsibilities were not clearly defined in the engagement letter, resulting in incomplete agreement of terms.

6. Audit Evidence and Documentation

(ISAs 230, 500, 505, 520, 530, 540, 550, 560, 580)

6.1 Sufficient documentation not available

Instances were noted where audit files lacked sufficient documentation to support conclusions reached, indicating non-compliance with ISA 230. Such as audit procedures on accounting estimates, such as impairment of assets and expected credit losses, were inadequately documented (ISA 540). Similarly, related party transactions were not sufficiently verified through supporting documentation, nor reconciled with disclosures in the financial statements (ISA 550).

6.2 Financial Instruments (IFRS 09)

Instances were noted where financial instruments including long-term loans, employee advances, and deposits were measured at face value without discounting to amortized cost, reflecting non-compliance with IFRS 9 and lack of audit evidence under ISA 500.

6.3 Procedures claimed to perform were not documented

Instances were noted where substantive testing of balances such as inventory, trade receivables, and payables was not adequately supported by evidence obtained from external confirmations or alternative procedures (ISA 500, 505).

6.4 Incomplete analytical procedures

Instances were noted where analytical procedures performed at the conclusion stage were limited to ratio comparisons without evaluation of underlying causes of fluctuations (ISA 520).

6.5 Employee Benefits (IAS 19)

Instances were noted where auditors did not verify actuarial valuations or employee benefit obligations, and accepted management's figures without supporting calculations, indicating non-compliance with IAS 19 and ISA 500.

6.6 Rational/ methodology for sample selection

Instances were noted where sampling methods and sample sizes were not justified or supported by documented rationale (ISA 530).

6.7 Inappropriate documentation w.r.t to key areas

Instances were noted where subsequent events procedures were not performed close to the date of the auditor's report, increasing the risk of missing material post-balance sheet events (ISA 560). Similarly, management representation letters were either not obtained or did not cover all relevant assertions (ISA 580) and instances were also noted where going concern assessments were accepted without management's formal evaluation or cash flow projections, contrary to ISA 570.

6.8 External confirmations (ISA 505)

Instances were noted where auditors did not obtain independent bank confirmations or routed them through the client, compromising evidence reliability and breaching ISA 505.

7. Industry-Specific (Manufacturing and Service Sector)

7.1 NRV testing

Instances were noted where valuation of inventory was not adequately supported through NRV testing, particularly in respect of obsolete or slow-moving items and auditor failed to perform NRV testing.

7.2 Cost allocation method

Instances were noted where cost allocation to closing stock and work-in-progress was inconsistent with the entity's accounting policy and IAS 2 requirements and auditor failed to test the basis of that allocation.

7.3 Weak use of Linkage during the audit

Instances were noted where capacity utilization disclosures and production cost records in manufacturing clients were not reconciled with audited figures, reflecting weak audit linkage between production and accounting records.

7.4 Not testing Revenue recognition in service based organization

Instances were noted where auditor while performing audit of service-sector entities lacked proper revenue recognition documentation, leading to inadequate cut-off testing and progress-based recognition under IFRS 15.

8. Recognition & measurement

8.1 Long-Term Security Deposits and Lease Arrangements (IFRS 9 & IFRS 16)

Auditors failed to identify non-compliance with IFRS 9 where long-term refundable security deposits (e.g., rent deposits) were recorded at face value instead of amortized cost. These deposits, often associated with renewable short-term lease contracts, were incorrectly classified as non-current assets, inconsistent with their contractual substance.

The auditors did not evaluate fair value adjustment, interest accretion, or lease classification implications under IFRS 16, indicating insufficient application of ISA 540 on accounting estimates and ISA 315 on risk assessment.

8.2 Employee Retirement Benefits (IAS 19 / Provincial Standing Orders Acts)

Auditors did not evaluate or report management's non-recognition of retirement benefit obligations, even where employee strength exceeded statutory thresholds defined under the Punjab Standing Orders Ordinance (1968), Sindh Terms of Employment Act (2015), and KPK Standing Orders Act (2013).

The absence of any accounting policy or provision for gratuity or provident fund was accepted without qualification. This represents a breach of IAS 19 (Employee Benefits) and a failure to consider legal compliance under ISA 250 and ISA 700.

8.3 Refund Liabilities and Revenue Reversals (IFRS 15)

Auditors accepted financial statements without recognition of refund liabilities arising from sales returns or warranty obligations, contrary to IFRS 15 paragraph 55. Audit documentation lacked evidence of management's assessment or justification for omission, indicating inadequate audit evidence under ISA 500 and weak evaluation of contractual terms as required by IFRS 15 paragraph 9.

8.4 Super Tax and Deferred Tax Implications (IAS 12 / Income Tax Ordinance 2001)

Auditors failed to ensure recognition of super tax impacts under Section 4C of the Income Tax Ordinance, 2001 in both current and deferred tax computations. This resulted in understatement of tax liabilities and non-compliance with IAS 12 paragraph 47, which requires recognition of all tax consequences of current and future taxable profits. No audit working papers demonstrated review of tax reconciliations or deferred tax calculations, contrary to ISA 540.

8.5 Sales Tax Non-Compliance and Related Liabilities

Auditors did not identify significant non-compliance with sales tax laws, including:

- Revenue from management consultancy services recorded without charging sales tax under ICT Tax on Services Ordinance, 2001;
- Rental income without Sindh Sales Tax under Sindh Sales Tax on Services Act, 2011; and
- Omission of default surcharge and penalties as required under Sections 33 and 34 of the Sales Tax Act, 1990.

In several cases, sales tax on customer advances was also not recognized per Section 2(44) of the Act. No audit procedures were documented to verify the correctness of sales tax computation or contingent exposure, indicating inadequate compliance testing under ISA 250.

8.6 Worker-Related Funds (WPPF and WWF)

Auditors did not address the companies' failure to recognize provisions for the Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) despite profitability. In several cases, interest on opening WPPF balances was also not accrued. These omissions resulted in understatement of liabilities and expenses, yet no audit adjustments or modified opinions were proposed. The auditor's failure to evaluate compliance with the Companies Profits (Workers' Participation) Act, 1968 and IAS 12 – Income Taxes reflects inadequate risk assessment and reporting under ISA 250 – Consideration of Laws and Regulations in an Audit of Financial Statements.

8.7 Lease Recognition (IFRS 16)

Auditors failed to identify non-recognition of Right-of-Use (ROU) assets and corresponding lease liabilities for long-standing rental and operational lease agreements. Despite leases exceeding 12 months, these were treated as operating leases without justification. The audit documentation contained no evaluation of lease classification or completeness testing of potential embedded leases, indicating non-compliance with IFRS 16 and ISA 540 on accounting estimates.

9. Presentation and Disclosure



(IAS 1, IAS 7, IAS 12, IAS 16, IAS 24, IFRS 15)

9.1 Taxation and Deferred Tax (IAS 12, Section 4C of the Income Tax Ordinance, 2001)

Instances were noted where financial statements did not reflect super tax under Section 4C of the Income Tax Ordinance, 2001, and related deferred tax effects were also omitted from the disclosures, resulting in non-compliance with IAS 12. Instances were further noted where deferred tax assets and liabilities were not reconciled with underlying temporary differences, leading to inconsistent or incomplete presentation in the tax disclosure note.

9.2 Related Party Disclosures (IAS 24, IAS 1)

Instances were noted where disclosures of related party balances and transactions were incomplete or inaccurate, and certain related party notes did not agree with corresponding line items in the primary statements.

9.3 Property, Plant and Equipment (IAS 16)

Instances were noted where movements in property, plant and equipment were not fully reconciled within the note disclosures, and comparative information was not consistently presented.

Instances were further noted where revalued assets were carried at historical amounts without updated fair-value disclosures, contrary to IAS 16's revaluation presentation requirements.

9.4 Revenue Recognition (IFRS 15)

Instances were noted where disclosure of revenue recognition policies was generic and did not specify the timing of revenue recognition for distinct streams such as goods, services, or rentals, as required under IFRS 15.

9.5 Cash Flow Presentation (IAS 7)

Instances were noted where cash flow statements contained incorrect classification between operating, investing, and financing activities, or where note references did not reconcile with primary statement figures, indicating weak review of presentation controls.

9.6 General Disclosure Controls (IAS 1)

Instances were noted where financial statements lacked adequate cross-referencing between notes and corresponding primary statement line items.

In several cases, rounding differences, incomplete headings, or missing comparative figures were also observed, reflecting weak finalization and review of disclosures.

9.7 Contingent Liabilities and Commitments (IAS 37)

Instances were noted where financial statements did not disclose key contingencies such as pending tax litigations, guarantees, and claims under dispute, despite their materiality to the users' understanding of financial position. This reflects non-compliance with the disclosure requirements of IAS 37 relating to contingent liabilities and commitments.

Quality Control Review Process

The step-wise review process undertaken by the Quality Assurance Department in discharging its responsibilities in terms of reviewing the engagements is as follows:

- Step 1** Firm submits an updated list of all audit engagements undertaken since the date of last submission of such list to QAD.
- Step 2** Review the list for completeness and accuracy by comparing it with SECP data and UDIN database to ensure the list is complete. Additionally, perform a PIC check using the list of PICs provided by the AOB to ensure accuracy.
- Step 3** Selection of audit engagements for QCR on a risk-based, sector specific and also on random basis as per the QCRF 2024.
- Step 4** Review of the selected engagements and the firm's system of quality management.
- Step 5** Deficiencies noted by the reviewer are discussed and a summary of significant findings together a list of missing documents are shared with the relevant Engagement partners after the concluding discussion of the review.
- Step 6** A draft QCR report, incorporating both the deficiencies discussed above and those identified by the financial statements reviewer, is prepared and issued to the firm for comments and action plan within a timeline of 14 days from draft QCR report.
- Step 7** After incorporating the received firm's comments, the reviewer finalizes any concluding remarks for inclusion in the QCR report. The finalized report is then submitted to the Quality Assurance Board (QAB) for consideration. During the draft report stage, the firm may also request a meeting with the Head of QAD to discuss specific matters arising from the review.
- Step 8** The Final QCR report is issued to the firm, after approval by the QAB, with either of the following conclusions:
 - Satisfactory
 - Satisfactory with Improvements Required (SWIR)
 - Unsatisfactory

Composition of the Quality Assurance Board

Ms. Kauser Safdar, a strong-willed and progressive professional, is a Fellow Member of the Institute of Chartered Accountants of Pakistan with 19 years of diverse post-qualification experience. Her professional background includes associations with leading financial institutions such as UBL and First Women Bank Limited. She is currently serving as the Chief Financial Officer of PAIR Investment Company Limited. Ms. Safdar is a Certified Director and a Certified Islamic Banker. She is serving her second term on the Quality Assurance Board of ICAP and is also a member of the ICAP Professional Accountants in Business (PAIB) Committee, the ICAP Benevolent Fund Committee, and the OICCI Environmental, Social and Governance (ESG) Committee. Previously, she has served on the OICCI Gender Equality Committee and the ICAP CA Women Committee.



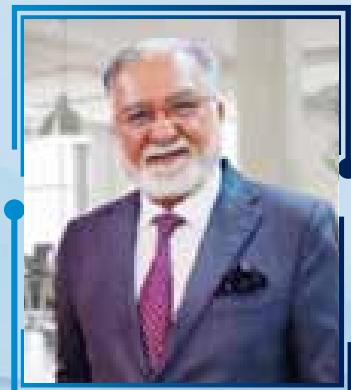
Ms. Kauser Safdar, FCA (Chairperson)
(Nominated by Securities and Exchange Commission of Pakistan)



Mr. Rashid Ahmed Jafer, FCA
(Nominated by State Bank of Pakistan)

Rashid Jafer has over 37 years of experience with A. F. Ferguson & Co. (a member firm of the PwC network), including 23 years as a Partner before his retirement. He served as the Head of Assurance Services and the Financial Services Leader. He currently serves on the Boards of Habib Metropolitan Bank Limited, UBL Fund Managers, and OLP Financial Services.

Syed Aftab Hameed is a Fellow Chartered Accountant and in practice since his qualification in the year 1985. Presently he is the Chairman / Senior Partner of Kreston Hyder Bhimji & Co. and looking after the audit and assurance side of the firm. During the last four decades, he has, by single-minded devotion to the profession, come to acquire a well-deserved reputation in the concerned circles for himself. He has / had been conducting or supervising audits, investigations or rendering management consultancy services in the various fields of business, trade & commerce, etc. He remained a member of Practicing Members Committee, Accounting & Auditing Standards Committee as well as Education & Training Committee of the Institute of Chartered Accountants of Pakistan (ICAP) for a number of terms, with active participation. He had also been a joint Auditor of ICAP for a period of five years (2017 - 2021). He was nominated as a member of Quality Assurance Board (QAB) by the Council w.e.f. July 01, 2021 for a period of three years and then re-nominated for another term of three years w.e.f. July 01, 2024.



Syed Aftab Hameed Esq, FCA
(Nominated by ICAP Council)



Mr. Muhammad Ashraf Bawany, FCMA
(Nominated by Pakistan Stock Exchange)

Mr. Ashraf Bawany is President at Ghani Global Group of companies. Prior to that he was CEO / MD of Linde Pakistan Limited (Boc Pakistan Limited). He is a Director at Heavy Mechanical Complex (HMC), Peoples Steel Mill (PSM), Pakistan Institute of Corporate Governance – PICG, BioMasdar (Pakistan) Limited and Vice President at Bin Qasim Association of Trade & Industry (BQATI). He remained till recent past as a Director on Pakistan Stock Exchange, Central Depository Company (CDC), IT Minds Limited, CDC Share Registrar Company Limited, National Clearing Company of Pakistan Limited (NCCPL) and VIS Credit Rating Company Limited (Formerly JCR-VIS Credit Rating Company). He was also a former President of ICMAP, PIPFA. He is also a member of welfare committee of Aziz Tabba Foundation, Tabba Heart Institute, member of The Patients' Behbood Society – (PBS) Fundraising Committee, Agha Khan University Hospital and Advisor to Board of Trustee Help International Welfare Trust (HIWT). Mr. Bawany is Law graduate and a fellow member of Institute of Cost and Management Accountants of Pakistan (ICMAP) & Institute of Corporate Secretaries of Pakistan (ICSP).

Syed Majid Ali is a fellow member of the Institute of Chartered Accountants of Pakistan and has over three decades of experience in the field of accounts and finance disciplines of banking with exposure in IT and HR activities. He has been associated as CFO at Saudi Pak Commercial Bank Limited (now Silk Bank Limited) and Emirates Bank International PJSC (Pakistan operations). He has also served as Partner in KPMG Taseer Hadi & Co, Chartered Accountants. He also served as CFO with Faysal Bank Limited (FBL). He has led FBL's successful conversion from a conventional to a full-fledged Islamic Bank as the Conversion Czar (Program Sponsor). FBL's conversion is the largest global conversion of a Conventional Bank into an Islamic Bank and a game-changer for the entire Banking industry. To honor his services, Syed Majid Ali has been awarded the Finance Leader Award 2023 by ICAP's Professional Excellence Awards (PEA). Mr. Majid has rich experience in banking finance and mergers and acquisitions (M&A). He was member of the core team responsible for the sale of Emirates Bank International PJSC (Pakistan Operations) and Saudi Pak Commercial Bank Limited. He was also actively involved in the acquisition of RBS Pakistan operations by the Faysal Bank Limited and its subsequent integration. He has also supervised Strategy, Technology and Administration functions at Faysal Bank Limited. Mr. Majid is member of the Accounting and Taxation Committees of the Pakistan Banks' Association (PBA), Overseas Investors' Chamber of Commerce and Industry (OICCI), and Pakistan Business Council. He has served as member of the Board of Directors of Central Depository Company of Pakistan (CDC) and currently servings on the Board of Directors of Faysal Assets Management Limited as Vice Chairman.



Syed Majid Ali Esq, FCA
(Nominated by Securities and Exchange Commission of Pakistan)



Mr. Mehmood Abdul Razzak, FCA
(Nominated by ICAP Council)

Mr. Mehmood Abdul Razzak is the founding and the managing partner heading the assurance and business advisory services at Baker Tilly Pakistan. He is a Fellow member of the Institute of Chartered Accountants of Pakistan and has over twenty years of experience in practice. After serving Central Depository Company of Pakistan Limited as the youngest head of finance, he laid foundation of a chartered accountancy practice leading it to one of the most emerging reputable firm of nineteen partners/directors, more than one hundred and fifty staff with offices in Karachi, Lahore, Islamabad, Peshawar and Kabul. Successfully introduced Baker Tilly International brand, one of the top ten networks of accounting firms, in Pakistan and Afghanistan. The practice now also ranks amongst the A category firms in Pakistan as per State Bank of Pakistan's panel of auditors. He has served as a member of the Quality Assurance Board, elected member of the Southern Regional Committee, Taxation Committee and CPD committee of ICAP. He has also served different committees of the Karachi Tax Bar Association and acted as an honorary Advisor to the Karachi Chamber of Commerce. Presently, he is a member of the Auditing Standards and Ethics committee as well as Practicing Members Committee of the ICAP.

Mr. Sarwar Khan Mohmand is a Fellow Chartered Accountant and accomplished business leader with over 26 years of extensive experience in finance, ERP implementation, business transformation, and advisory across Pakistan, Saudi Arabia, and the GCC.

He is currently serving as Group CFO at Al-Hafiz Industries (AHI) and as Director at Entreprize Excellence (Private) Limited. Previously, he has held senior positions including Group Director Finance at JW SEZ Group, Partner at Riaz Ahmad & Company, Chartered Accountants (NEXIA International), Group CFO at WAK Group, and Deputy CFO at Al-Qahtani Pipe Coating Industries (Saudi Arabia).

Mr. Mohmand has successfully led Oracle and Microsoft Dynamics ERP implementations, developed internal audit and financial reporting systems, and advised on major projects including for the Privatisation Commission of Pakistan. His international experience includes financial transformation, debt restructuring, and IPO preparation in Saudi Arabia.

His core competencies include strategic financial management, corporate governance, risk management, taxation, budgeting and business planning, financial analysis and reporting, ERP implementation, and leadership. He has also received advanced training in IFRS, sustainability reporting, and ERP systems in Bahrain and Saudi Arabia.



Mr. Sarwar Khan Mohmand, FCA
(Nominated by ICAP Council)



Mr. Muhammad Shahid Ashraf, FCCA
(Nominated by State Bank of Pakistan)

Muhammad Shahid Ashraf is a financial sector expert having around thirty years of experience of central banking, commercial banking, and industry. He served as National Coordinator for Risk Assessment of ML/TF and headed the Foreign Exchange Operations Department of State Bank of Pakistan. He is CEO of Athina Consultancy and provides consultancy services in the areas of AML/CFT, Corporate Governance, Foreign Exchange, Foreign Trade, Risk Management, Bookkeeping and Accounts. He is a fellow member of Certified Chartered Accountants of UK, Certified Information System Auditor from USA, member Associate of Bankers in Pakistan and a master's degree holder in Business Administration. He represented the country on various national and international forums participated in the various seminars/workshops and training programs conducted by LUMS, Cambridge University, IOWA State University, Federal Reserve Bank of USA, The Banque de France, IMF, and United Nations.

Ms. Anam Arshad is a results-driven finance and operations leader, bringing over 13 years of diverse experience across multinational corporations, logistics, manufacturing, and the food and beverage industry. A graduate of Oxford Brookes University and a Fellow member of ACCA, she began her career at Ernst & Young, where she played a pivotal role in managing high-profile clients, including Nestlé.

Currently serving as Head of Operations at Venus Group Pakistan Ltd., Ms. Arshad oversees a portfolio of businesses with an annual turnover exceeding PKR 10 billion, spanning major metropolitan cities across Pakistan. Under her strategic leadership, Venus Group has significantly diversified and scaled its operations, representing global powerhouses such as McDonald's, Hardee's, Papa John's, Tim Hortons, Rich's, Cold Stone, and General Mills. Beyond food and retail, she has spearheaded the Group's expansion into manufacturing and exports, with successful penetration into international markets including the UAE, USA, and Sri Lanka. Her vision has also led to the establishment of a robust local sales network and the management of a major container terminal in Karachi, thereby reinforcing the Group's presence in logistics and infrastructure.

Previously, the Group, under her operational guidance, delivered critical support services to international defense logistics operations for the U.S. Department of Defense, the British Ministry of Defense, NATO, and ISAF. Ms. Her career is defined by financial acumen, operational excellence, and a forward-looking approach to strategic growth. Her expertise spans financial leadership, supply chain optimization, cross-border business development, and high-stakes operational management, making her a formidable force in shaping the future of large-scale business operations in the region.



Ms. Anam Arshad
(Nominated by Securities and Exchange Commission of Pakistan)

Meetings & Attendance

During the year ended June 30, 2025 Fifteen (15) meetings of the QAB were held.

Quality Assurance Board		
Name	Role	Attended
Farid ud Din Ahmad, FCA *	Chairman	10
Kauser Safdar, FCA **	Member/ Chairperson	13
Mehmood, FCA	Member	11
M. Ashraf Bawany	Member	12
M. Shahid Ashraf	Member	12
Rashid Ahmed Jafer, FCA	Member	15
Syed Aftab Hameed Esq, FCA	Member	15
Syed Majid Ali, FCA	Member	8
Anam Arshad ***	Member	4
Sarwar Khan Mohmand, FCA ***	Member	2

Notes:

* Mr. Farid ud Din Ahmed, FCA remained Chairman of the Board from July 1, 2024, until the completion of his second tenure on May 14, 2025.

** Ms. Kauser Safdar, FCA served as Chairperson of the Board from May 15, 2025, until June 30, 2025.

*** Ms. Annum Arshad & Mr. Sarwar Khan Mohammad, FCA were appointed as a member of the Board with effect from October 07, 2024 & May 15, 2025 respectively.

Senior Management of Quality Assurance Department



Mr. Sheikh Bilal Shams, FCA
(Head of Department)

Bilal Shams is a distinguished leader in the field of External and Internal Audit with over 22 years of diverse experience spanning both financial and non-financial sectors. As a Fellow Chartered Accountant and Certified Information Systems Auditor, coupled with a Master's degree in Economics.

Currently, Bilal serves as the head of the Quality Assurance Department at the Institute of Chartered Accountants of Pakistan (ICAP). In this capacity, he is at the forefront of ensuring the highest standards of audit quality, particularly through the implementation and oversight of International Standards on Quality Control (ISQC) and International Standards on Quality Management (ISQM). His work is pivotal in upholding the integrity and reliability of audit processes across the board.

Before joining ICAP, Bilal was a key figure at Pakistan International Airlines (PIA), where he led efforts to embed best practices in governance, risk management, compliance, and internal control. Bilal has extensive expertise in implementing leading internal control frameworks, such as COSO, SOX, and ICFR, and has successfully conducted corporate audits, asset quality reviews, AML monitoring, and KYC parameterization.

His experience is further enriched by his collaborations with major regulators like the State Bank of Pakistan (SBP), Securities and Exchange Commission of Pakistan (SECP), and Pakistan Stock Exchange (PSX), as well as his work with global audit firms including KPMG, EY, and PWC across Pakistan, Oman, and Cambodia.

Mr. M. Fahad Parvaiz is a Director at the Institute of Chartered Accountants of Pakistan (ICAP) and a distinguished fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and the Pakistan Institute of Public Finance Accountants (PIPFA). He is also an Associate Member of the Institute of Chartered Accountants of England and Wales (ICAEW).

With a robust career spanning over 17 years, Mr. Fahad possesses a unique blend of high-profile international experience at EY Dubai and EY London, and deep domestic expertise from his roles in both industry and regulation. After qualifying as a Chartered Accountant in 2009, he held senior financial leadership positions at major corporations like CCL Pharmaceuticals and City Schools, honing his skills in corporate accounting, taxation, treasury, and finance.

He has been a central figure at ICAP's Quality Assurance Department (QAD) since 2014, ascending to the role of Director. In this capacity, he possesses extensive experience overseeing and conducting Quality Control Reviews (QCRs) for firms across Pakistan. He is a recognized authority on audit quality, having delivered numerous training sessions to firms on addressing common deficiencies and improving their audit practices, thereby playing a pivotal role in enhancing the profession's standards throughout the country. In 2025, he contributed to a high-level international symposium hosted by the UK's Financial Reporting Council, reflecting his standing in the global regulatory community.

Core Expertise: Audit Quality Assurance | Regulatory Inspection & Compliance | ISAs & IFRSs | Professional Development & Training | Stakeholder Engagement



Mr. Muhammad Fahad Parvaiz, FCA
(Director)



Mr. Shaikh Muhammad Yasin, ACA
(Secretary QAB)

Mr. Shaikh Muhammad Yasin, ACA serves as the Secretary to the Quality Assurance Board (QAB). A seasoned professional with over a decade of diverse experience in finance, assurance, and regulatory oversight, he brings a strong blend of technical expertise and leadership to the QAB's functions.

He is an Associate Chartered Accountant and has previously worked with leading international firms, including a Big 4, where he specialized in IFRS, audit, and tax advisory. His professional background spans senior finance leadership roles, internal and external audit, quality control reviews, financial reporting, and advisory engagements.

In his current role, Mr. Yasin provides strategic and technical support to the Board in discharging its mandate under the QCR Framework, ensuring effective oversight of audit quality, regulatory compliance, and adherence to international standards of auditing, ethics, and financial reporting.

Recognized widely for his expertise, Mr. Yasin has served as a trainer for an international audit regulator, contributing to the development of regulatory professionals and strengthening global capacity in audit oversight. His experience as a trainer and visiting faculty in advanced accounting and financial reporting further underscores his commitment to knowledge dissemination and professional excellence.

Quality Assurance Department

Staff composition of the department as of June 30, 2025 follows:

Name	Designation
Mr. Sheikh Bilal Shams, FCA	Head of Department
Mr. Muhammad Fahad Parvaiz, FCA	Director
Mr. Shaikh Muhammad Yasin, ACA	Secretary QAB
Mr. Abid Murtazai, ACA	Senior Manager
Syed Muzammil Ali, ACA	Senior Manager
Mr. Muzammil Ahmed, ACA	Senior Manager
Mr. Adnan Mehmood Khan, ACA	Manager
Mr. Kamran Arif, ACA	Manager
Mr. Ali Raza Lakho, ACA	Manager
Mr. Ali Irtaza Ismail, ACA	Manager
Mr. Ahmad Raza Khan, ACA	Manager
Mrs. Farhat Razzaq, ACA	Manager
Mr. Hameedullah, ACA	Manager
Mrs. Priya Dembra, ACA	Manager
Mr. Saad Ghauri , ACA	Manager
Mr. Fahad Feroz	Deputy Manager
Mr. Mujtaba Waseem	Deputy Manager
Mr. Chandan Kumar	Assistant Manager
Mr. Afaq Ahmad	Officer
Mr. Nathan Peter	Officer