



**The Institute of  
Chartered Accountants  
of Pakistan**

HEAD OFFICE

Technical Director  
IFAC  
529, Fifth Avenue, 6<sup>th</sup> Floor,  
New York, USA

September 15, 2014

**ICAP COMMENTS ON EXPOSURE DRAFT 'ADDRESSING DISCLOSURES IN THE AUDIT  
OF FINANCIAL STATEMENTS'**

Dear Sir,

The Institute of Chartered Accountants of Pakistan welcomes the opportunity to offer comments on the above Exposure Draft.

Please find enclosed the comments of the relevant Committee of the Institute for your perusal.

If you require any further clarification, please do not hesitate to contact us.

Yours faithfully,

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The Institute of Chartered Accountants of Pakistan  
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**ICAP COMMENTS ON EXPOSURE DRAFT 'ADDRESSING DISCLOSURES IN THE AUDIT OF FINANCIAL STATEMENTS'**

1. Whether, in your view, the proposed changes to the ISAs are appropriate and sufficient for purposes of enhancing the focus of the auditor on disclosures and, thereby, will further support the proper application of current requirements in the ISAs?

In our view, the proposed changes to the ISAs are appropriate and sufficient for purposes of enhancing the focus of the auditor on disclosures.

2. Are there any specific areas where, in your view, additional enhancement to either the requirements or guidance of the ISAs would be necessary for purposes of effective auditing of disclosures as part of a financial statement audit?

In our view, there should be more elaboration on how the auditor will maintain his balance of priorities between material misstatements on account of quantitative and non-quantitative disclosures.

3. Whether, in your view, the proposed changes to the assertions will help appropriately integrate the work on disclosures with the audit work on the underlying amounts, thereby promoting an earlier and more effective audit of disclosures?

In our view, the proposed changes to the assertions will help appropriately integrate the work on disclosures with the audit work on the underlying amounts

In addition to the request for specific comments above, the IAASB is also seeking comments on the general matters set out below:

(a) *Preparers (including Small- and Medium-Sized Entities (SMEs)) and Other Users*—The IAASB invites comments on the proposed changes to the ISAs particularly with respect to the practical impacts, if any, of the proposed changes to the ISAs.

Proposed changes to the ISAs have cumbersome effect on Small-Sized Entity (SMEs). So, they should be financially reporting in the manner as reported in prior periods. However, proposed changes to the ISAs are relevant for the Medium-Sized Entity and Economically Significant Entity.

(b) *Developing Nations*—Recognizing that many developing nations have adopted or are in the process of adopting the ISAs, the IAASB invites respondents from these nations to comment on the proposed changes to the ISAs, in particular, on any foreseeable difficulties in applying these in a developing nation environment.

Although Pakistan is a developing nation, we do not foresee any difficulties in applying these standards in a developing nation environment.

(c) *Translations*—Recognizing that many respondents may intend to translate the final changes to the ISAs for adoption in their own environments, the IAASB welcomes comments on potential translation issues respondents may note in reviewing the proposed changes to the ISAs.

No comments.