



**The Institute of  
Chartered Accountants  
of Pakistan**

HEAD OFFICE

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

August 19, 2014

**ICAP COMMENTS ON EXPOSURE DRAFT 'PROPOSED CHANGES TO CERTAIN  
PROVISIONS OF THE CODE ADDRESSING NON-ASSURANCE SERVICES FOR AUDIT  
CLIENTS'**

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,

Haroon Tabraze  
Director Technical Services  
The Institute of Chartered Accountants of Pakistan  
[haroon.tabraze@icap.org.pk](mailto:haroon.tabraze@icap.org.pk)

**COMMENTS ON IESBA E.D 'PROPOSED CHANGES TO CERTAIN PROVISIONS OF THE CODE ADDRESSING NON-ASSURANCE SERVICES FOR AUDIT CLIENTS'**

***Emergency Provisions***

1. Are there any situations that warrant retention of the emergency exceptions pertaining to bookkeeping and taxation services?

**We agree that the emergency exceptions pertaining to bookkeeping and taxation services should be deleted to avoid misuse of the provision and to strengthen the Code.**

***Management Responsibilities***

2. Does the change from "significant decisions" to "decisions" when referring to management responsibilities (paragraph 290.162) enhance the clarity of a management responsibility?

**Yes we agree that the deletion of the word 'significant' clarifies the sentence. Management is responsible for all the decisions, whether significant or not.**

3. Are the examples of management responsibilities in paragraph 290.163 appropriate?

**Yes, these examples are appropriate. However, the bullet point 'Reporting to those charged with governance on behalf of management' may be confusing as responsibility to report on behalf of management must rest with one person amongst the management.**

4. Are there any challenges in understanding and applying the prerequisite set out in paragraph 290.165 for non-assurance services that should be considered?

**No, there are no challenges in understanding and applying the prerequisite.**

5. Will the enhanced guidance assist engagement teams to better meet the requirement of not assuming a management responsibility?

**Yes we feel that this would be helpful for better understanding.**

6. Does the relocation of the guidance pertaining to administrative services into its own subsection provide greater clarity?

**Yes it is now clearer.**

***Routine or Mechanical***

7. Does the proposed guidance on "routine or mechanical" clarify the term, or is additional guidance needed?

**Yes it is.**

8. Is the meaning and identification of source documents sufficiently clear, taking into account documents that may be generated by software?

**Yes the identification of source documents is clear. Further, reference to making judgments regarding identification and development of accounting policies may be included in the first bullet point.**

### **Section 291**

9. Do the changes proposed to Section 291, specifically the additional requirements to proposed paragraph 291.146, enhance the clarity of a management responsibility?

**Agreed.**

10. Are the examples of management responsibilities in paragraph 291.144 appropriate?

**Agreed.**

11. Does the relocation of the guidance pertaining to administrative services provide greater clarity?

**Yes it is**

### **REQUEST FOR GENERAL COMMENTS**

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

(a) *SMPs*—The IESBA invites comments regarding the impact of the proposed changes for SMPs, especially the changes regarding management responsibilities.

**We do not have any comment.**

(b) *Preparers (including SMEs), and users (including regulators)*—The IESBA invites comments on the proposed changes from preparers (particularly with respect to the practical impacts of the proposed changes), and users.

**We do not have any comment.**

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

**We do not have any comment.**

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

**No issue**

(e) *Effective Date*—The IESBA proposes that the effective date for the changes will not be less than 12 months after issuance of the final changes. Earlier application would be permitted. The IESBA welcomes comment on whether this minimum period would be sufficient to support effective implementation of the changes.

**Yes agreed**