The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

HEAD OFFICE

Circular No. 07/2016 June 14, 2016

ALL PRACTICING MEMBERS OF THE INSTITUTE

Dear Member

ADOPTION OF ISA 701 - COMMUNICATING KEY AUDIT MATTERS IN THE INDEPENDENT AUDITOR'S REPORT

The Council of the Institute has approved adoption of ISA 701 '*Communicating Key Audit Matters in the Independent Auditor's Report*' in its 274th meeting held on May 4, 2016. The ISA 701 will be effective for audits of financial statements for **periods ending on or after December 15, 2016**.

The standard is available in the 'Handbook of International Quality Control, Auditing Review, Other Assurance, and Related Services Pronouncements' published by the Institute.

A series of technical sessions on the new auditor report have already been conducted by the Institute for members and other stakeholders including Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan. Further, for facilitating implementation of the new Auditor's Report model a question and answer blog and data bank of topic wise Key Audit Matters from other jurisdictions where they have already adopted the similar model is being developed for the Institute's website.

SECP will be soon notifying the revised formats of audit reports under the Companies Ordinance, 1984 based on the revised and new International Standards on Auditing.

Members are advised to take note of the above.

Thanking you

Yours truly

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