



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

HEAD OFFICE

Circular No. 04/2016

March 29, 2016

ALL PRACTICING MEMBERS OF THE INSTITUTE

Dear Member

ADOPTION OF ISQC 1 – “QUALITY CONTROL FOR FIRMS THAT PERFORM AUDITS AND REVIEWS OF HISTORICAL FINANCIAL INFORMATION, AND OTHER ASSURANCE AND RELATED SERVICES ENGAGEMENTS”

The Council of the Institute on the recommendation of the Professional Standards and Technical Advisory Committee in its 271st meeting held on January 9, 2016 decided on adoption of ISQC-1 for all audit firms from July 1, 2016.

This Circular supersedes the Circular 2 of 2008 issued on February 6, 2008.

Further to facilitate implementation guidance is being provided and awareness sessions will be conducted in all major cities.

Guideline for Implementation of ISQC- 1 for SMPs

IFAC SMP Committee's '*Guide to Quality Control for Small- and Medium- Sized Practices*' is quite relevant and useful for our local purpose.

This guide includes following two manuals which appropriately covers the key requirements of ISQC 1 in brief:

1. Sample Manual for Sole Proprietorships;
2. Sample Manual for Firm having 2 to 5 partners.

The aforesaid two manuals have been separated and made into standalone documents for simplification and convenience. Appendix/ supporting checklists is attached separately. The policies and procedures suggested in both the sample manuals are designed to assist such firms to establish and implement a system of quality control in compliance with ISQC 1. Firms are allowed to customize the sample manuals provided to suit their own practice and requirements.

The manuals can be downloaded from:


<http://www.icap.net.pk/wp-content/uploads/2013/12/Quality-Control-Guide-for-Sole-Proprietier-Manual.pdf>

<http://www.icap.net.pk/wp-content/uploads/2013/12/Quality-Control-Guide-for-small-sized-firm-Manual.pdf>

<http://www.icap.net.pk/wp-content/uploads/2013/12/Appendix-of-QC-Manuals.pdf>

Members in practice are requested to comply with the above.

Yours truly,


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