

**ISACA KARACHI CHAPTER – INFORMATION
SYSTEMS AUDIT AND CONTROL
ASSOCIATION**

**Financial Statements
For The Year Ended December 31, 2014**

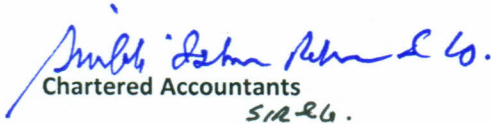
*SHIBLI ISLAM
REHAN & CO.
Chartered Accountants*

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of the ISACA Karachi Chapter – Information Systems Audit and Control Association (the Association) as at December 31, 2014, and the related income and expenditure account, cash flow statement and statement of changes in accumulated funds together with the notes forming part thereof (here-in-after referred to as the financial statements), for the year then ended. It is the responsibility of the management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the Guidelines for Accounting & Financial Reporting by Non-Government Organizations (NGOs) / Non Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give true and fair view, in all material respects, the financial position of the Association as at December 31, 2014, and of its deficit, cash flow and changes in accumulated funds for the year then ended, in accordance with the Guidelines for Accounting & Financial Reporting by Non-Government Organizations (NGOs) / Non Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan. The Financial Statements of the Association for the year ended December 31, 2013, were audited by another auditor, whose report dated April 09, 2014, expressed an unqualified opinion.


Chartered Accountants
SIR&CO.

Audit Engagement Partner's Name: Shibli Islam Rehan, FCA

Date: March 10, 2015

Place: Islamabad

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
BALANCE SHEET
AS AT DECEMBER 31, 2014**

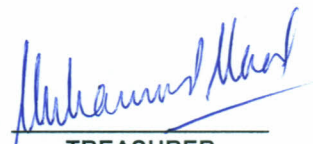
	Note	December 31, 2014 Rupees	Restated December 31, 2013 Rupees
<u>ASSETS</u>			
CURRENT ASSETS			
Advances - review courses expenses		6,000	-
Bank balances	3	3,189,110	3,263,297
TOTAL ASSETS		3,195,110	3,263,297
 <u>FUNDS AND LIABILITIES</u>			
FUNDS			
General fund		3,127,610	3,163,797
CURRENT LIABILITIES			
Accrued expenses		67,500	99,500
CONTINGENCIES AND COMMITMENTS	4	-	-
TOTAL FUNDS AND LIABILITIES		3,195,110	3,263,297

The annexed notes from 1 to 9 form an integral part of these financial statements.

SIRRC.



PRESIDENT



TREASURER

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
RECEIPT AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	December 31, 2014 Rupees	Restated December 31, 2013 Rupees
RECEIPTS			
Membership fee	5	544,135	520,785
Review courses fee	6	423,265	143,900
Marketing reimbursement		242,420	242,625
Profit on bank deposits		10,697	16,023
Exchange (loss) / gain		(140,227)	309,369
		<u>1,080,290</u>	<u>1,232,701</u>
EXPENDITURES			
Seminar		245,329	287,859
Review courses expenses	7	700,424	553,693
COBIT certification		27,772	-
Website maintenance		30,000	55,500
Salaries		76,452	-
Auditors' remuneration		30,000	-
Other expenses		6,500	5,910
Meetings		-	104,363
Registration expenses		-	50,000
		<u>1,116,477</u>	<u>1,057,325</u>
(Deficit) / surplus for the year		<u><u>(36,187)</u></u>	<u><u>175,376</u></u>

The annexed notes from 1 to 9 form an integral part of these financial statements.

S.R & Co.



PRESIDENT



TREASURER

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	December 31, 2014 Rupees	Restated December 31, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus for the year		(36,187)	175,376
(Increase) in advance for review course expenses		(6,000)	-
(Decrease) / increase in accrued expenses		(32,000)	9,500
Net cash (used) in /generated from operating activities		(74,187)	184,876
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		3,263,297	3,078,421
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3	3,189,110	3,263,297

The annexed notes from 1 to 9 form an integral part of these financial statements.

5/12/14.



PRESIDENT



TREASURER

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

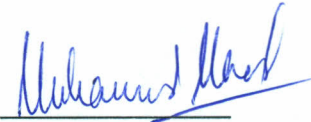
	<u>GENERAL FUND</u> Rupees
Balance as at January 01, 2013 (RESTATED)	2,988,421
Surplus for the year	175,376
Balance as at December 31, 2013	<u>3,163,797</u>
Deficit for the year	(36,187)
Balance as at December 31, 2014	<u><u>3,127,610</u></u>

The annexed notes from 1 to 9 form an integral part of these financial statements.

S.R.G.



PRESIDENT



TREASURER

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1 STATUS AND NATURE OF BUSINESS

1.1 The ISACA Karachi Chapter - Information Systems Audit and Control Association (the Association) was established in January 1997 and registered under the Societies Registration Act, 1860, on 9th October, 2013. The Chapter provides services to members, arranges for review courses for CISA, CISM, CGEIT and CRISC and handles other matters related to IT Governance in Pakistan. The Chapter is a not-for profit organisation that was formed with a view to provide a centralised forum for CISA, CISM, CGEIT and CRISC professionals across the country to share experiences, communicate ideas and assist each other towards career progression and professional growth.

1.2 Restatement of Previously Issued Financial Statements

Balance Sheet as of December 31, 2013, along with Receipt and Expenditure Account, Statement of Changes in Accumulated Funds and Cash Flow Statement for the fiscal year ended December 31, 2013, have been restated to reflect the change in policy from Receipt and Payment Basis of Accounting to Receipt and Expenditure basis of Accounting. Financial impact of change is provided in Note 9.2.

The above Change in Policy has resulted in decrease of "Net Surplus" by Rs. 9,500 for the year ended December 31, 2013, as reflected in the restated figures.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared on receipts and expenditure basis in conformity with the Guidelines for Accounting & Financial Reporting by Non Government Organizations (NGOs) / Non Profit Organizations (NPOs) as issued by the Institute of Chartered Accountants of Pakistan.

2.2 Revenue recognition

The Association's proportion of membership fee, review course fee and other income are recognised as revenue on receipt basis.

2.3 Foreign currencies

The financial statements are presented in Pak Rupee, which is the Chapter's functional and presentation currency. Foreign currency transactions during the year are recorded at the monthly average rates of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the balance sheet date. Gains and losses on transactions are taken to Receipt and Expenditure account.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances with banks on saving accounts.

2.5 Accrued and other liabilities

Liabilities for accrued and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

S.R.P.L.

**ISACA KARACHI CHAPTER - INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	December 31, 2014 Rupees	Restated December 31, 2013 Rupees
3 BANK BALANCES			
Cash at banks:			
In saving account			
Local currency		49,657	70,957
Foreign currency USD		3,139,453	3,192,340
		<u>3,189,110</u>	<u>3,263,297</u>
4 CONTINGENCIES AND COMMITMENTS			
There are no contingencies and commitments as at December 31, 2014 (2013: Nil).			
5 MEMBERSHIP FEE			
Membership fee	5.1	<u>786,555</u>	<u>520,785</u>
5.1 This represents the Association's portion of membership fee transferred by ISACA International out of total membership fee received from the Association's members.			
6 REVIEW COURSES FEE			
Fee submitted by participants		423,265	39,000
Association's share of review courses fee		-	104,900
		<u>423,265</u>	<u>143,900</u>
7 REVIEW COURSES EXPENSES			
Review courses facilitators		242,400	176,000
Marketing expenses		361,476	305,693
General expenses		96,548	72,000
		<u>700,424</u>	<u>553,693</u>
8 GENERAL			
8.1 Figures in these accounts have been rounded off to the nearest rupee.			
8.2 These financial statement have been prepared on the basis of a retrospective application of a voluntary change in accounting policy from receipt and payment basis of accounting to receipt and expenditure basis of accounting.			
Management believes that the change in policy will result in financial statements recognising the expenses and liabilities more prudently.			
The impact of this voluntary change in accounting policy on the balance sheet and receipt and expenditure account is set out below:			

S, R & G.

	As reported		Adjustments		Restated	
	2013	2012	2013	2012	2013	2012
-----Rupees-----						
Balance Sheet						
Accrued expenses	-	-	99,500	90,000	99,500	90,000
General fund	3,263,297	3,078,421	(99,500)	(90,000)	3,163,797	2,988,421
Receipt and Expenditure						
Review courses expenses	252,000	554,000	(4,000)	90,000	248,000	644,000
Website maintenance	42,000	61,500	13,500	-	55,500	61,500

8.3 Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparison. No significant re-arrangements have been made during the year.

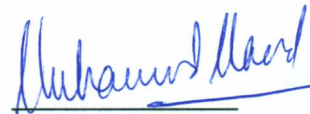
9 DATE OF AUTHORIZATION

These financial statements were authorised for issue on March 10, 2015 by the Association Board.

S.R.C.



PRESIDENT



TREASURER