

HAROON ZAKARIA & COMPANY

CHARTERED ACCOUNTANTS

ISACA KARACHI CHAPTER INFORMATION SYSTEM AUDIT AND CONTROL ASSOCIATION

**Financial Statements
For the year ended December 31, 2015**

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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, 2015, 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 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, 2015, and of its surplus, 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 Accountant of Pakistan.

Other matter

The Financial Statements of the Association for the year ended December 31, 2014, were audited by another auditor, whose report dated March 10, 2015, expressed an unqualified opinion.


Haroon Zakaria & Company
Chartered Accountants

Dated: 16 APR 2016
Place: Karachi

**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
BALANCE SHEET
AS AT DECEMBER 31, 2015**

	<i>Note</i>	<i>2015 Rupees</i>	<i>2014 Rupees Restated</i>
<u>ASSETS</u>			
Current Assets			
Advances - review course expenses		-	6,000
Membership fee receivable		152,069	175,788
Prepaid expense		5,667	-
Cash at banks	3	3,982,099	3,189,110
Total Assets		4,139,835	3,370,898
 <u>FUNDS AND LIABILITIES</u>			
General fund		3,979,535	3,303,398
Current Liabilities			
Accrued liability		160,300	67,500
Contingencies and Commitments	4	-	-
Total Fund and Liability		4,139,835	3,370,898

The annexed notes form an integral part of these financial statements.



PRESIDENT



TREASURER

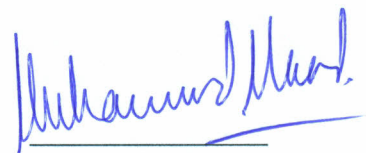
**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 2015**

	<i>Note</i>	<i>2015 Rupees</i>	<i>2014 Rupees Restated</i>
Income			
Membership fees	5	560,645	566,745
Leadership conference		112,332	-
Review course fee	6	485,200	423,265
Marketing reimbursement		-	242,420
COBIT Certification / Training Course		674,664	-
Profit on bank deposits		28,206	10,697
Exchange (loss) gain on USD Account		103,853	(151,185)
Total income		1,964,900	1,091,941
Expenditures			
Seminar		63,055	245,329
Review course expenses	7	253,000	700,424
Trainer's Accreditation Expense		-	27,772
COBIT Certification / Training Course		504,664	-
Website maintenance		35,958	30,000
Salaries		120,000	76,452
Auditor's remuneration		31,800	30,000
Leadership conference		112,367	-
Other expenses		-	6,500
Professional charges		26,500	-
AGM / Meeting expenses		120,000	-
Bank and other charges		21,419	-
Total expenditures		1,288,763	1,116,477
Surplus / (Deficit) of funds		676,137	(24,536)

The annexed notes form an integral part of these financial statements.



PRESIDENT



TREASURER

**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2015**

	2015	2014
	Rupees	Rupees <i>Restated</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	676,137	(24,536)
<u>(Increase) / decrease in current assets</u>		
(Increase)/Decrease in advance for review course expense	6,000	(6,000)
(Increase)/Decrease in Membership receivable	23,719	62,536
(Increase)/Decrease in Prepaid Expense	(5,667)	(74,187)
	24,052	(17,651)
<u>(Increase) / decrease in current liability</u>		
(Decrease)/Increase in Accrued Expense	92,800	(32,000)
Net cash generated from/(used in) operation	792,989	(74,187)
Cash and cash equivalents at the beginning of the year	3,189,110	3,263,297
Cash and cash equivalents at the ending of the year	3,982,099	3,189,110

The annexed notes form an integral part of these financial statements.

PRESIDENT

TREASURER

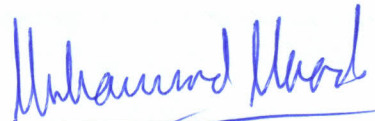
**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE PERIOD ENDED DECEMBER 31, 2015**

	<i>General fund Rupees</i>
Balance as at December 31, 2013-restated	3,327,934
Deficit for the year-restated	(24,536)
Balance as at December 31, 2014-restated	<u>3,303,398</u>
Surplus for the year	676,137
Balance as at June 30, 2015	<u><u>3,979,535</u></u>

The annexed notes an integral part of these financial statements.



PRESIDENT



TREASURER

**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2015**

1 STATUS AND NATURE OF ACTIVITIES

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. ISACA Karachi Chapter is a non-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, 2014, along with income and expenditure Account, Statement of Changes in Accumulated Funds and Cash Flow Statement for the fiscal year ended December 31, 2014, have been restated to reflect the change in policy from Receipt and expenditure basis of Accounting to income and expenditure basis of Accounting. Financial impact of change is provided in note 8.2.

The above changes in policy has resulted in decrease of net deficit by Rs.11,651 for the year ended December 31, 2014 as reflected in restated figure.

2 ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention except otherwise stated in these financial statements. Further accrual basis of accounting is followed except cash flow information.

2.2 Revenue recognition

Karachi Chapter's Proportion of membership fee and other income are recognized as revenue on accrual 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 Income 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 fair value of the consideration to be paid in future for goods and services.

	<i>Note</i>	<i>December 31 2015 Rupees</i>	<i>December 31 2014 Rupees</i>
3 CASH AT BANKS			
In saving account			
Local currency		1,063,376	49,657
Foreign currency USD		2,918,723	3,139,453
		<u>3,982,099</u>	<u>3,189,110</u>

4 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2015 (2014: Nil).

5 MEMBERSHIP FEE	5.1	<u>560,645</u>	<u>566,745</u>
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5.1 This represents the Association's portion of membership fee transferred by ISACA International out of total membership fee received from Association's members and is recognized on accrual basis to account for portion of membership fee transferred by ISACA after the year end.

	<i>December 31 2015 Rupees</i>	<i>December 31 2014 Rupees</i>
6 REVIEW COURSE FEE		
Fee submitted by participants	<u>485,200</u>	<u>423,265</u>
7 REVIEW COURSES EXPENSES		
Review courses facilitators	253,000	242,400
Marketing expenses	-	361,476
General expenses	-	96,548
	<u>253,000</u>	<u>700,424</u>

8 DATE OF AUTHORIZATION

These financial statements were authorised for issue on 16 APR 2016 by the Association Board.

9 GENERAL

9.1 Figures in these accounts have been rounded off to the nearest rupee.

9.2 These financial statements have been prepared on the basis of retrospective application of a voluntary change in accounting policy from receipt and expenditure basis of accounting to income and expenditure basis of accounting by restating the prior year profit and loss and adjusting the reserves for the year ended December 31, 2015.

PRESIDENT

TREASURER