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

Financial Statements
For the year ended December 31, 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of **ISACA - Karachi Chapter-Information Systems Audit and Control Association (the association)**, which comprise the balance sheet as at December 31, 2016, and the related income and expenditure account, cash flow statements and statement of changes in accumulated fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management are responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards applicable in Pakistan, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the approved auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

A member of



Independent legal & accounting firms

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the association as at December 31, 2016 and of its financial performance, its cash flow statements and changes in accumulated fund for the year then ended in accordance with the approved accounting standards applicable in Pakistan.

H. Haroon Zakaria DCA.
Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: **17 MAR 2017**

Engagement Partner:
Farhan Ahmed Memon

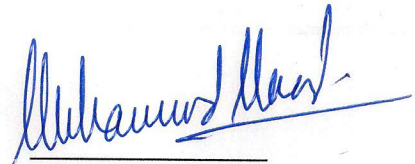
**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
BALANCE SHEET
AS AT DECEMBER 31, 2016**

	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
<u>ASSETS</u>			
Current Assets			
Membership fee receivable		45,892	152,069
Receivables		75,500	
Prepaid expense		11,000	5,667
Cash at banks	4	4,095,298	3,982,099
Total Assets		4,227,690	4,139,835
 <u>FUNDS AND LIABILITIES</u>			
General fund		4,092,050	3,979,535
Current Liabilities			
Accrued liability	5	135,640	160,300
Contingencies and Commitments	6	-	-
Total Fund and Liability		4,227,690	4,139,835

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



PRESIDENT

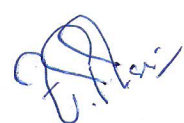


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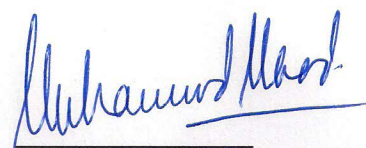
**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<i>Note</i>	<i>2016 Rupees</i>	<i>2015 Rupees</i>
Income			
Membership fees	7	567,782	560,645
Leadership conference		225,720	112,332
Review course fee	8	386,037	485,200
COBIT Certification / Training Course		-	674,664
Profit on bank deposits		36,228	28,206
Exchange (loss) gain on USD Account		(17,753)	103,853
Total income		1,198,014	1,964,900
Expenditures			
Seminar		215,826	63,055
Review course expenses		259,000	253,000
COBIT Certification / Training Course		-	504,664
Marketing expenses		64,000	-
Website maintenance		6,667	35,958
Salaries		120,000	120,000
Auditor's remuneration		35,640	31,800
Leadership conference		251,091	112,367
Printing charges		8,000	-
Professional charges		-	26,500
AGM / Meeting expenses		101,206	120,000
Bank and other charges		24,069	21,419
Total expenditures		1,085,499	1,288,763
Surplus of funds		112,515	676,137

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



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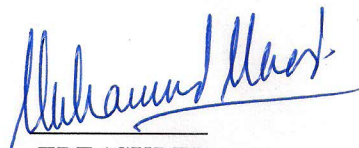
**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<i>2016</i>	<i>2015</i>
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	112,515	676,137
(Increase) / decrease in current assets		
Decrease in advance for review course expense	-	6,000
(Increase) in Account Receivable	(75,500)	-
Decrease in Membership receivable	106,177	23,719
(Increase) in Prepaid Expense	(5,333)	(5,667)
	25,344	24,052
(Increase) / decrease in current liability		
(Decrease)/Increase in Accrued Expense	(24,660)	92,800
Net cash generated from operation	113,199	792,989
Cash and cash equivalents at the beginning of the year	3,982,099	3,189,110
Cash and cash equivalents at the ending of the year	4,095,298	3,982,099

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



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**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<i>General fund Rupees</i>
Balance as at December 31, 2014	3,303,398
Surplus for the year	676,137
Balance as at December 31, 2015	<u>3,979,535</u>
Surplus for the year	112,515
Balance as at December 31, 2016	<u><u>4,092,050</u></u>

The annexed notes an integral part of these financial statements.



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**ISACA - KARACHI CHAPTER-INFORMATION SYSTEMS
AUDIT AND CONTROL ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1 STATUS AND NATURE OF ACTIVITIES

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standard for Small Sized Entities (SSE) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the monetary assets and liabilities in foreign currencies translated at the rates prevailing at the balance sheet date. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 ACCOUNTING POLICIES

3.1 Revenue recognition

Karachi Chapter's Proportion of membership fee and other income are recognized as revenue on accrual basis.

3.2 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.

3.3 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.

3.4 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.

4 CASH AT BANKS

	2016	2015
	Rupees	Rupees
In saving account		
Local currency	895,241	1,063,376
Foreign currency USD	3,200,057	2,918,723
	<u>4,095,298</u>	<u>3,982,099</u>

5 ACCRUED LIABILITY

Audit fee payable	35,640	31,800
Salaries payable	10,000	-
Professional fee payable	-	26,500
Facilitators fee payable	90,000	102,000
	<u>135,640</u>	<u>160,300</u>

6 **CONTINGENCIES AND COMMITMENTS**

There are no contingencies and commitments as at December 31, 2016 (2015: Nil).

	<i>Note</i>	2016 <i>Rupees</i>	2015 <i>Rupees</i>
7 MEMBERSHIP FEE	7.1	<u>567,782</u>	<u>560,645</u>

7.1 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.

	35640 <i>Rupees</i>	2015 <i>Rupees</i>
8 REVIEW COURSE FEE		
Fee submitted by participants	<u>386,037</u>	<u>485,200</u>

9 **DATE OF AUTHORIZATION**

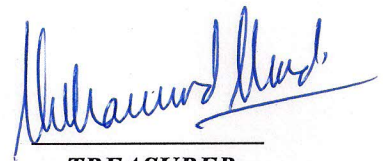
These financial statements were authorised for issue on 17 MAR 2017 by the Association Board.

10 **GENERAL**

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



PRESIDENT



TREASURER