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J.E. (Betty) Brathwaite

PRESIDENT'S MESSAGE

The last quarter has been very active for the Institute of Chartered Accountants of the Caribbean (ICAC) as we pursue our mandate to increase the role and contribution of the ICAC both regionally and internationally and to forge strategic partnerships with key organizations.

I had the privilege to represent the ICAC at the Institute of Chartered Accountants of Trinidad and Tobago's (ICATT) Annual International Accounting & Finance Conference held on October 9-10 at the Hyatt Regency Trinidad under the theme, *Staying Ahead of the Curve*. Led by dynamic Caribbean and global speakers, the conference explored a range of diverse and topical issues relevant to the region's accounting and financial sector and encouraged us as accountancy professionals to play an integral role in assisting businesses to stay ahead in today's global environment.

I commend ICATT on the staging of another successful conference and for focusing our attention on our responsibility as members of the accountancy profession to provide thought leadership and solutions that contribute to national and regional development. The conference also sought to identify effective strategies for us to "stay ahead of the curve" in business and economics, innovation, governance and accounting and finance practices.

This year, I also represented ICAC at the Conference for Accounting and Accountability for Regional Economic

Growth (CReCER)—the annual conference hosted by the International Federation of Accountants (IFAC), the World Bank and the Inter-American Development Bank. The 2012 CReCER conference was held in Managua, Nicaragua at the Crowne Plaza Convention Center and I had the privilege of participating as a discussion leader for the session on "*Quality Assurance: Designing and Building Effective Systems*" on October 29, 2012.

Quality assurance is an essential element in the regulation of the accountancy profession and countries in the Caribbean and Latin America have been implementing sustainable QA systems. I was there-



Opening Session of the 2012 CReCER Conference held in Managua, Nicaragua.

fore able to share the experience of ICAC member bodies in implementing the regional practice monitoring.

While acknowledging that the design and implementation of effective QA review systems is a challenge for professionals and regulators as well as the public and private sectors, it was beneficial to share the model that exists within the Caribbean as we seek to improve our standards and ensure an efficient quality assurance review. It has been recognised that in order to preserve the integrity of the QA programme, it is essential that the conclusions and recommendation of every QA review undertaken is reliable, and firms are assessed on a consistent basis. It was also gratifying to note that we in the Caribbean are recognised by IFAC for the

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strides that we have made in advancing the quality standards of the profession.

The ICAC was also represented at the International Accounting Standards Board (IASB) annual conference for world accounting standard-setters held in London from October 25-26, 2012. I thank Andrew Brathwaite for his able representation of the Caribbean profession at that forum. Our participation at the IASB 2012 World Standards-setters Conference is in keeping with our mandate to increase the ICAC's representation and input at international fora. As a regional umbrella body, the ICAC has been promoting internationally acceptable accounting standards and practices for the accountancy profession in the Caribbean in an effort to ensure that member bodies adhere to international standards and best practices promulgated by global standard setters such as the IASB. A report on the IASB conference is carried in another section of this newsletter.

I was also pleased to represent ICAC at the Council Meeting of the International Federation of Accountants (IFAC) held in Cape Town South Africa from November 14-15 as well as IFAC's consultative meeting for Regional Organisations (RO) and Acknowledged Accountancy Groupings (AG) held on November 13. The consultative meeting was very informative as it provided a platform for regional organisations and accountancy groupings, including the ICAC, to share their experiences and challenges and to focus on opportunities for future collaboration. The meeting also afforded ICAC the opportunity to establish linkages with other accountancy bodies.

It was very proud to be present when the IFAC Council elected the first Board member from the Caribbean. On

behalf of the ICAC, I congratulate the Institute of Chartered Accountants of Jamaica (ICAJ) on the election of its member, Mrs. Pamela Monroe Ellis to the IFAC Board. We see this as a significant accomplishment and salute Mrs Monroe Ellis on her milestone achievement as a female member of the accountancy profession. We are confident that she will make a significant contribution to the IFAC Board given her extensive experience in auditing and the expertise she has gained over the years serving as Jamaica's Auditor General and as a member of several government accountability bodies and regional and international organisations.

The ICAC as a regional accountancy organisation will continue to ensure the progress of our profession in 2013 by being a voice to be heard and striving to keep our members ahead of the curve and compliant with global standards. We will continue to provide forums for intellectual exchange and will work towards our stated objectives collectively and in a spirit of camaraderie. I am pleased and proud to serve as your President and ask for your continued support and input in 2013.

Finally, I wish to extend season's greetings to all ICAC Directors and their families, the Presidents, members of Council and staff of regional institutes, representatives of our Affiliate and Associate members as well as the ICAC Secretariat Staff. Have a happy holiday.

J.E. (Betty) Brathwaite
President

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BOARD OF DIRECTORS' MEETING

The following are highlights of the issues discussed at the ICAC's 64th Board of Directors' Meeting held on Saturday, October 6, 2012 at the Courtyard Marriott Hotel, Paramaribo, Suriname.

ICAC/ACCA Monitoring Programme

The Bahamas Institute of Chartered Accountants (BICA) has affirmed its commitment to initiate practice monitoring reviews in The Bahamas. The Institute has reached an agreement with ACCA to commence monitoring reviews in The Bahamas in January 2013.

The Bahamas will now join Barbados, Guyana, Trinidad, Jamaica and the Eastern Caribbean (OECS) in implementing practice monitoring reviews under the regional monitoring programme. Under this initiative, ACCA, which has the expertise given its over 19 years' experience as a regulator of auditors in the UK and Ireland, has been contracted to carry out monitoring reviews within these territories.

The practice monitoring programme involves visits to auditors and audit firms to ensure that audit reports and procedures are in compliance with International Standards on Auditing and internationally recognised rules. The programme is designed to ensure that practising accountants in the Caribbean region comply with IFAC's Statement of Membership Obligation (SMO) on Quality Assurance and International Standard on Quality Control No.1 (ISQC1) as required by the International Federation of Accountants (IFAC).

The regional practice monitoring programme is intended to ensure the existence of efficient quality assurance review systems in the region, in keeping with IFAC requirements for member bodies worldwide.

Proposed Regional Monitoring Unit

Discussions are ongoing at the ICAC Board level regarding the establishment of a regional monitoring unit to ensure the ongoing implementation of monitoring reviews with the Caribbean, in keeping with ICAC's commitment to ensure the existence of efficient quality assurance review systems in the region. It is anticipated that the terms of reference and structure for the proposed regional monitoring unit will be finalized in 2013. Support in this regarding is being provided by ACCA's monitoring unit.

It is expected that the regional monitoring unit will assume responsibility for monitoring reviews in the Caribbean when the contract with ACCA expires.

Regional Taxation Committee

The Regional Taxation Committee has formulated a plan of action for 2013 including a proposal for a Tax Conference for tax practitioners in the Caribbean scheduled for February 2013. A sub-committee has been established to identify proposed topics for the conference which will include the case for regional harmonization of tax structure/systems and updates on regional tax changes.

The main objectives of the Committee are to consider, review, prepare where relevant and where appropriate present recommendations to the ICAC Board of Directors concerning the consequences of current or proposed legislative and government measures relating to matters of taxation and fiscal policies.

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Association of Chartered Certified Accountants (ACCA)

ACCA publishes its first Integrated Report

ACCA's Annual Report for 2011/2012 has been produced for the first time as an integrated report, following the initial approach set out by IIRC (International Integrated Reporting Council). ACCA is a member of IIRC's Pilot Programme for organisations seeking to move to integrated reporting.

Helen Brand, ACCA's chief executive, says: "Our first integrated report aims to present a clear and coherent picture of our strategic performance and our future prospects as a global organisation. It is important for us as a professional body to explain how we create value for our stakeholders – especially our members – and the place we occupy in society. This report is our first attempt at doing this using the emerging discipline of IR."

ACCA and IMA Research Foundation Announce Special Joint Call for Research Proposals

The IMA® Research Foundation and ACCA recently announced a special joint call for research proposals for accounting academics and practitioners. The announcement was made during the American Accounting Association's (AAA) Annual Meeting in Washington, D.C.

IMA and ACCA welcome research proposals in the categories of Enterprise Risk Management (ERM), Technology Enablement, and Business Performance Management. Proposals addressing other relevant management accounting topics may also be considered. Up to US\$ 100,000 will be awarded. For submission guidelines, visit www.imanet.org/researchfoundation. The deadline for submissions is January 31, 2013.

American Institute of Certified Public Accountants (AICPA)

AICPA and XBRL U.S. Plan Certificate Programme

The American Institute of CPAs is teaming up with XBRL U.S. to develop a certificate programme focused on U.S. GAAP reporting in Extensible Business Reporting Language format. For more information, visit www.cpa2biz.com/xbrlcertificate.

AICPA and CIMA deliver new ethics resources for accounting profession

The AICPA and CIMA have developed a number of new ethics resources including check lists, case studies and other tools designed to help the profession navigate ethical dilemmas and respond in a manner that upholds professional standards. Find out more here: <http://www.cgma.org/Resources/Tools/Pages/Responding-to-ethical-dilemmas.aspx>

New AICPA Insights® Blog Posts

The AICPA's official blog, AICPA Insights, offers timely posts on the CPA profession and trends that are impacting it. Recent post: "Big Data" Presents Big Opportunities for Firms and CFOs." Sign up for AICPA Insights at <http://blog.aicpa.org/>

Certified General Accountants Association of Canada (CGA-Canada)

Canadians onside with CGA-Canada's agenda to simplify tax system

In a survey commissioned by the Certified General Accountants Association of Canada (CGA-Canada), a plurality of Canadians feel the tax system is moving in the wrong direction. Canadians also believe the tax system is more complex than it was 10 years ago and more than 62 per cent of those surveyed said that having a simple tax system is important. The findings support CGA-Canada's agenda to modernize Canada's tax system by making it simpler, more transparent and more efficient.

There is a growing call for tax reform in Canada. In a recent report, The Canadian Chamber of Commerce identified Canada's complex tax system as one of the top 10 barriers to competitiveness and the House of Commons Standing Committee on Finance – in its 2011 report – called for the establishment of an expert panel to review, modernize and simplify the tax system.

CGA-Canada believes there is an opportunity to advance that agenda and will be holding a by-invitation only summit on tax simplification in Ottawa on December 4. The summit will bring together approximately 60 stakeholders, public officials and thought leaders on tax policy to strategize on the issue of tax simplification, inform the debate, establish priorities and identify next steps.

Addressing Canada's public finance challenges requires open discussion on key issues

Canada's Public Policy Forum and CGA-Canada have released a report that calls for greater dialogue on the fiscal challenges facing government institutions. The Future of Public Finance in Canada outlines a series of challenges facing Canadian public finance, highlights where change may be needed and offers insight into how we might collectively respond to our country's most complex policy issues. Canada faces an unprecedented set of global and multi-sectoral challenges that threaten to constrain governments' future ability to finance public programmes. It is imperative that leaders in all sectors act to tackle these issues.

Participants suggested that traditional remedies may not provide the assistance needed to address Canada's key issues, including: low productivity, demographic changes, growing social inequality, environmental issues and securing Canadian global interests. The report identifies opportunities for how governments can work collaboratively with private and non-profit leaders to leverage resources and expertise. By working together, leaders would be better positioned to solve complex policy challenges while realizing Canadians' shared goal of delivering sustainable government finances.

The report summarizes the findings of a Public Policy Forum roundtable discussion that convened with senior public, private, academic and association leaders in Ottawa on June 19, 2012.

Certified Management Accountants (Canada) and the CMA Caribbean partner

Merger of the Canadian Accounting Profession – Unification Update

CMA Canada, the Canadian Institute of Chartered Accountants, and certain affiliates of CGA Canada are actively working toward unification of the Canadian accounting profession. The vision for the new Chartered Professional Accountant (CPA) in Canada is to be the pre-eminent, internationally recognized Canadian accounting designation and business credential that best protects and serves the public interest. A single, unified accounting profession in Canada, committed to the highest standards of ethics and practice, will more effectively serve business, the public and all its members. The concept will ensure:

- CPA professionals carry the shared values, diverse skills, exceptional talents, management disciplines, and innovative thinking derived from the best of Canada's current accounting designations – CA, CMA, and CGA;
- The new CPA Certification Program will derive its depth and breadth by integrating the best elements of the CA, CMA and CGA programs; and,
- CPA reflects that the majority of Canadian accounting bodies are working together to realize the vision of the CPA.

In September 2012, CPA Canada launched cpaONE.ca, a microsite designed to provide support and specific information on the new CPA Certification Program to members, registered candidates, and those considering a profession in accounting or business. For more information on the new CPA Certification Program and what ONE can do for you, visit cpaone.ca

CMA to CPA – Transition Timeline:

As CMA transitions to CPA, it will be important for all stakeholders to be aware of the following program transition timelines:

- **CMA Foundational Studies Program:** The last intake into the CMA Foundational Studies Program (also referred to as the CMA Accelerated Program) will be January 2013. The new CPA Accelerated Bridging Program will replace CMA's existing program, and will begin to be offered in August 2013.
- **CMA Entrance Examination:** The last sittings of the Entrance Examination will be in 2013, offered in June, October, and November. Individuals not successful on the final Entrance Examination will be bridged into the new CPA professional education program at the appropriate point. There will be no entrance exam in the CPA accreditation model; rather, a multi-day exit exam will be introduced.
- **CMA Professional Program:** The last intake into the Strategic Leadership Program will be November 2013. The new CPA Professional Education Program will begin to be offered in September 2014.
- **Combined CMA/IMBA Program:** All candidates enrolling (or enrolled) in the combined IMBA-CMA program at the University of the West Indies, Cave Hill School of Business, must have passed the CMA Entrance Exam by November 2013.
- **CMA Executive Program:** The final intake for the Caribbean Executive CMA program will be in June 2013.

CMA in the Caribbean - Update

CMA has partnered with the University of the West Indies'

Open Campus to offer the Diploma in Management Accounting Programme. This Foundational Studies Programme is aimed at university graduates in all fields of study. The Accounting Special graduate who has attained CMA's full suite of prerequisite topics would normally be exempted from the Foundational Studies Programme and allowed to challenge the CMA Entrance Exam directly.

Students who successfully complete this programme will be awarded a UWI Professional Diploma in Management Accounting/the CMA Certificate in Foundational Studies, and will be eligible to do the CMA Entrance Exam, which is a prerequisite to the CMA professional program. More details are available at www.cma-caribbean.com.

Institute of Chartered Accountants in England and Wales (ICAEW)

ICAEW and the Caribbean

ICAEW Quality Assurance Manager, Trevor Smith, met with ICAEW members in the Bahamas and Cayman Islands in early September. He also had a cordial meeting with the leadership of the Bahamas Institute of Chartered Accountants (BICA).

ICAEW Leads the Way at the American Accounting Association (AAA)

ICAEW organised panel sessions with experts from regulatory bodies, universities and high-profile organisation including the FASB, IASB, and the World Bank to debate IFRS, European Audit Reform and its relevance to the US, accounting for nature, and the relationship between information systems and accounting in practice. The AAA attracts accounting scholars from around the world. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2012-press-releases/icaew-leading-the-way-at-aaa>.

ICAEW Online Training Programmes

- **ICAEW Corporate Finance Qualification:**

In partnership with the Chartered Institute for Securities and Investments, ICAEW launched a new diploma in Corporate Finance on 20 June 2012.

<http://www.icaew.com/en/qualifications-and-programmes/cf-qualification>

- **ICAEW International Standards on Auditing (ISAs) programme:**

<http://www.icaew.com/en/qualifications-and-programmes/icaew-isas-programme>

- **IFRS Certificate:**

<http://www.icaew.com/en/qualifications-and-programmes/financial-reporting-learning-programmes/ifrs-learning-and-assessment-programme>

- **IFRS for SMEs learning and assessment programme:**

<http://www.icaew.com/en/qualifications-and-programmes/financial-reporting-learning-programmes/ifrs-for-smes>

- **Certificate in International Public Sector Financial Reporting (Cert IPSFR):**

<http://www.icaew.com/en/qualifications-and-programmes/financial-reporting-learning-programmes/cert-ipsfr>

- **Business Sustainability Programme:**

<http://www.icaew.com/en/qualifications-and-programmes/bsp>

ICAC Participates in IASB World Standard Setters Conference



Andrew Brathwaite

The ICAC was represented at the International Accounting Standards Board (IASB) annual conference for world accounting standard-setters held in London from October 25-26, 2012 by Andrew Brathwaite, Alternate Director on the ICAC Board and Chair of its Membership Committee.

Mr. Brathwaite, who is also a member of the SME Implementation Group of the International Accounting Standards Committee Foundation and immediate Past President of ICAB, was invited as a discussant for two sessions. The first focussed on the **comprehensive review of IFRS for SMEs** in which he made a presentation in favour of *allowing jurisdictions to permit publicly traded companies to use the IFRS for SMEs*. This was based on one of the issues raised in the discussion document circulated by the IASB and open for comment until November 30, 2012. The second presentation was made on the endorsement mechanism in the Caribbean for new and amended IFRSs.

The 2012 World Standard-setters Conference focussed on recent developments in the setting and implementing of international financial reporting standards. The technical sessions covered areas such as:

- IASB's Future Agenda
- Comprehensive review of the IFRS for SMEs
- Working Together – IASB and Standard-setters
- Updates on new standards and staff drafts including
 - IFRS 9: Financial Instruments
 - IFRS 10: Consolidations

- IFRS11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IFRS 13: Fair Value Measurement
- Investment Entities

Participants were also given an update from the IFRS Interpretations Committee and the IFRS Advisory Council in addition to post-implementation reviews of a number of new standards, which is a recent IASB initiative.

"The conference was valuable as important contacts were made with IASB board members and staffers, and with representatives of accounting standard-setting bodies from around the globe. Many of these standard-setters have had a very similar experience with implementing full IFRS and the IFRS for SMEs, and we in the Caribbean can benefit from their experiences and from the tools and practice aids which they have developed for their jurisdictions," said Mr. Brathwaite.

"These relationships will also be vital in our individual efforts to develop financial reporting standards for micro-sized entities, and perhaps eventually convince the IASB to take this on as a project," he adds.

"The ICAC's participation at the IASB 2012 World Standards-setters Conference is in keeping with our efforts to increase our role and input at the regional and international levels. As a regional umbrella body, the ICAC has been promoting internationally acceptable accounting standards and practices for the accountancy profession in the Caribbean in an effort to ensure that member bodies adhere to international standards and best practices promulgated by global standard setters such as the IASB," states ICAC President, Betty Brathwaite.

IFAC CEO Addresses Regional Professional Accountancy Organisations (PAOs) Meeting in Trinidad

The Institute of Chartered Accountants of the Caribbean (ICAC) held a consultative meeting with the leadership of professional accountancy organisations (PAOs) in the region on Monday, October 8, 2012 at the Hyatt Regency Hotel in Trinidad to address the role of the accountancy profession in working with the public sector.

The meeting sought to address:

- The key challenges faced by regional institutes in working with the public sector;
- The specific areas in which the accountancy profession can provide support to the public sector; and
- The status of the implementation of International Public Sector Accounting Standards (IP-SAS).

The featured speaker at the meeting, which was hosted by the Institute of Chartered Accountants of Trinidad &



IFAC CEO, Ian Ball (left) makes a point to ICAC President Betty Brathwaite (centre) and ICAC Secretary, Anthony Pierre (right).

Tobago (ICATT), was Ian Ball, Chief Executive Officer of the

International Federation of Accountants (IFAC).

Mr. Ball highlighted the developments with International Public Sector Accounting Standards (IPSASs) and the guidance and resources available to IFAC member bodies and governments in implementing the standards and the benefits to the public sector in adopting IPSASs. He encouraged member bodies in the region to identify a “champion” to promote the adoption of IPSAS and other best practices within the public sector. He also encouraged the PAOs to play an active role in promoting good governance, accountability and transparency within the public sector.

Mr. William Layne, Public Sector Committee Chair, Institute of Chartered Accountants of Barbados (ICAB), also gave an insightful presentation on ICAB’s successes in working with the public sector in Barbados and the role that the accountancy profession has been playing in promoting good governance, accountability, implementation of IPSAS and other best practices within the public sector in Barbados.

ICAB President, David Simpson in sharing his views on the regional PAO meeting stated, “I am very impressed with what has been accomplished at the meeting. Our focus was on public sector engagement by the professional, and our local Institute (ICAB) had the opportunity to share our experiences in this regard. As a group, we were able to interact and share ideas around the topic and we were all encouraged to heighten our awareness and efforts in relation to working and supporting the public sector across the region. We all left with a clearer under-

standing and appreciation as to our role as a profession in this area, and I look forward to the implementation of the useful ideas that came out of this session.”

Mr. Simpson reaffirmed ICAB’s commitment to working with the government of Barbados to assist in the improvement of public sector financial management and to provide valuable feedback and input into the socio-economic management of the country.

Subert Gilbert, General Manager, ICATT noted that the meeting was a very important initiative and should be one of the key meetings held in the region on an ongoing basis. “Participants were given the opportunity to interact with the IFAC’s CEO and to discuss from IFAC’s perspective, the importance of introducing IPSAS as a key component of IFAC’s SMOs. Additionally, the presentation from the representative from Barbados was an eye opener for the other regional representatives”.

This was the second consultative meeting of regional professional accountancy organisations since the start of the year. The first was held in collaboration with IFAC on Thursday, June 21, 2012 in Antigua. The regional PAO meeting provides a forum for ICAC and IFAC to interface with Presidents and Chief Executives and other representatives of regional accountancy organisations. The meetings are in keeping with ICAC’s strategic goal to forge linkages with regional and international stakeholders and to increase its role and relevance as a regional umbrella organisation.

HIGHLIGHTS

Accounting Practitioners in St. Lucia & Antigua Receive Audit Training

The Institute of Chartered Accountants of the Caribbean (ICAC) in partnership with the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC), specifically the St. Lucia and Antigua branches, hosted Audit Training Workshops focusing on **International Standard on Quality Control 1 (ISQC1)** for practitioners in the OECS.

The Standard which became effective on December 15, 2009 requires that all firms, including sole practitioners, establish and maintain a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and that reports issued by the firm or engagement partners are appropriate.

By virtue of an Agreement entered into between the ICAC and the ACCA in 2009, the latter has been conducting Practice Monitoring of accounting firms in the OECS. The audit workshop was therefore intended to assist participants to better comply with the requirements of audit quality assurance inspections in connection with ISQC 1 and related standards. The workshops also offered the opportunity for practitioners in the OECS to also become compliant with International Standards on Auditing and other internationally recognized rules.

The workshop facilitator was Graham Fairclough, trainer and consultant with expertise in IFRS and ISA standards. A Fellow of ACCA and ICAEW, Mr. Fairclough has conducted training

programmes in many countries throughout Asia, Africa, Europe and the Caribbean (primarily in Jamaica, Barbados and Trinidad and Tobago).

Some of the topics covered during the audit workshops were:

- Outline the major reasons for earning good and less satisfactory practice review reports.
- Principal content of ISQC1.
- A review of ISA 315, risk identification and responses.
- Quality documentation of financial statement and balance sheet assertions.
- Delegation and review.
- Quality documentation of sufficient, appropriate evidence.
- Quality documentation of final review of financial statements and basis for conclusions.

The workshops were held in St. Lucia on November 14 at the Bay Gardens Hotel and in Antigua on November 16 at the Antigua Hospitality Training Institute, Dutchman’s Bay, St. John’s.

The joint initiative affirms ICAC’s commitment to support its member bodies, as well as members of the accountancy profession in the region in meeting their CPD training and development needs. The ICAC was represented at the workshop in St. Lucia by the Chairman of the Regional Technical Committee, Mr. Anthony Pierre.

ICAC's 2013 Conference to be held in Barbados

The 31st Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) will be held in Barbados over the period June 27-29, 2013. The selected venue is the luxurious Hilton Barbados Resort, www.hilton.com/Barbados, which is conveniently located near Bridgetown.

The theme for the conference is “*Global Challenges – Regional Solutions*” and it is intended to examine the global issues impacting the Caribbean including the global economic recession, the changing international trade environment as well as the impact of new international accounting and auditing standards, rules and regulations. Additionally, the conference will seek to bring into sharp focus the need to develop effective strategies to overcome these challenges affecting the Caribbean region. It will also seek to examine how we can leverage the talent and ingenuity of the professionals in the Caribbean

to increase growth, transform the region's economies and increase competitiveness in the global environment.

The Institute of Chartered Accountants of Barbados (ICAB) will be the host of the 2013 Conference. ICAB President David Simpson says, “The planning process for the 2013 conference continues at a smooth pace. Our planning committee under the chairmanship of our Treasurer Rueben Blenman has formed a range of subcommittees to manage key aspects of the event.”

A cadre of local, regional and international speakers is currently under review for final selection, and registration information for the conference will be available to delegates from January 2, 2013.

Mark the date June 27-29 on your calendar for the ICAC 2013 Caribbean Conference!

Jamaica's Auditor General Elected to IFAC Board

Auditor General, and ICAJ member, Mrs. Pamela Monroe Ellis, has been elected to the Board of the International Federation of Accountants (IFAC). This is the first time that a representative from the Caribbean has been elected to the IFAC Board. Mrs. Monroe Ellis will be representing the Caribbean region and Latin America on the IFAC Board.

IFAC is the global organisation for the Accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

A Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ), she currently serves as Chairman of the Institute's Investigations Committee, and on the Public Sector and Audit Practice Committees. Mrs. Monroe Ellis was nominated by ICAJ which is a member body of IFAC.

‘I am greatly honoured to be afforded this opportunity to serve on the Board of the International Federation of Accountants. It is my wish to assist in bringing more awareness to the mission of IFAC as it promotes the advancement of the Accountancy profession and the development of sustainable organisations, markets and economies globally’, Mrs. Pamela Monroe Ellis said.

Miss Vintoria Bernard, ICAJ President states, “*This is certainly a well-deserved appointment in recognition of Mrs. Monroe Ellis’ professionalism and contribution to the accountancy profession, locally and internationally. As an Institute, we are*

proud of her outstanding achievements as a proponent of the development of the profession and the implementation of high quality standards to foster regional economic advancement”.



Mrs. Pamela Monroe Ellis

Mrs. Monroe Ellis is also a Fellow of the Association of Chartered Certified Accountants (UK), a Member of the Information Systems Audit and Control Association and an Associate Member of the Institute of Internal Auditors.

She serves a number of Government accountability bodies, including the Audit Commission, the Integrity Commission and the Commission for the Prevention of Corruption, and is the

Chairperson of the Government Senior Financial Administration and Audit Selection Board.

Mrs. Monroe Ellis also serves regional and international organisations, including the Caribbean Organization of Supreme Audit Institutions (CAROSAI), the ACCA Global Forum for the Public Sector, as well as the International Association of Supreme Audit Institutions’ (INTOSAI) working group on the Value and Benefit of Supreme Audit Institutions.

ICAJ has appointed Mr. Bruce Scott, Council Member of ICAJ and Chairman of its Membership Committee to serve as Technical Advisor to Mrs. Monroe Ellis in her new role. IFAC stipulates that each nominating organisation has the right to appoint a technical advisor to provide technical support to its Board member in his or her contribution.

Congratulatory Note:

The Institute of Chartered Accountants of the Caribbean (ICAC) extends heartiest congratulations to the Institute of Chartered Accountants of Jamaica (ICAJ) on the election of its member and Auditor General of Jamaica, Mrs. Pamela Monroe Ellis, to the IFAC Board. This is a proud and significant achievement for the ICAJ and for the accountancy profession in the region as it is the first time that a representative from the Caribbean has been elected to serve the international accountancy organization in this capacity. The ICAC commits its support to Mrs. Monroe Ellis in her new role as she represents and advances the interest of the accountancy profession in the Caribbean.

The Standard for Limited Assurance Review Engagements: *Addressing the Needs of SMEs*

This article which is reprinted with the permission of IFAC is intended to raise awareness of the revised standard, International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements, which was issued by the IAASB in September 2012. The article highlights the value of review engagements especially to SMPs in meeting the needs of their SME clients and explains many of its key features.

The global marketplace for assurance services for small- and medium-sized entities (SMEs) is changing. As audit exemption for SMEs becomes more prevalent, the demand for non-audit assurance and related services is increasing. Small- and medium-sized accounting practices are ideally placed to help their SME clients determine what level of assurance over their financial statements can best meet their needs, and need to be prepared to respond accordingly.

The International Auditing and Assurance Standards Board (IAASB)'s International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*, issued in September 2012, can help.¹ Effective for periods ending on or after December 31, 2013, the revised standard includes strengthened requirements and additional guidance, and promotes a clearer understanding of the nature of a review engagement.

Merits of a Review Engagement

A review is a limited assurance engagement, which means it provides a level of assurance between that of an audit (a reasonable assurance engagement) and a compilation engagement (an engagement providing no assurance). ISRE 2400 (Revised) is designed not only to provide an effective and consistent level of limited assurance on financial statements, but also to allow for efficient delivery of the service proportionate to the complexity of the statements reviewed.

SMEs that do not require a statutory audit may still want some degree of independent assurance to increase the credibility of their statements, in which case a review can be an ideal solution. Additionally, since the work effort involved in performing a review engagement is generally less than that in conducting an audit, a review should be a more cost-effective option.

When to Conduct a Review Engagement

Under the standard, a practitioner can only perform a review when there is both a rational purpose and when a review engagement is appropriate in the circumstances. What constitutes a rational purpose? A common example would be when a review, as opposed to an audit, will satisfy legal or regulatory reporting purposes. An engagement without a rational purpose, for example, is one in which there is a significant limitation in the scope of the practitioner's work when management unreasonably restricts the practitioner's inquiries to specified individuals.

When would a review engagement be considered "appropriate in the circumstances"? When a practitioner believes engagement risk can be reduced to an acceptable level. A review may not be appropriate, for example, for complex entities, such as banks or insurance companies, when inquiry and analytical procedures alone may not reduce engagement risk sufficiently. In these cases, an audit engagement may be more appropriate.

Requirements

Since a review engagement is intended to provide only limited assurance, how will practitioners know when they have enough evidence to support a conclusion? First, let's look at the conclusion itself, which in its unmodified form states: "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects..." Someone with no understanding of the standard might think a practitioner could express that conclusion having done nothing, i.e., nothing was found but nothing was done. This is the antithesis of what is required by the standard. Specifically, the standard requires that:

- every practitioner performing a review must comply with ethical requirements at least as demanding as those in the *Code of Ethics for Professional Accountants* (the Code) issued by the International Ethics Standards Board for Accountants, and the practitioner's firm must apply quality control standards at least as demanding as those required by ISQC 1;²
- the practitioner must develop an understanding of the entity and the applicable financial reporting framework, at least in areas required by the standard sufficient to identify areas where material misstatements are likely to exist; and
- the practitioner must perform inquiry and analytical procedures on every item material to the financial statements focusing on those where material misstatements are likely to arise.

The engagement partner must have competence in assurance skills and techniques and financial reporting appropriate to the engagement circumstances. As a result, the engagement partner will have a solid base of knowledge and understanding on which to base the review procedures to ensure they are effective and produce sufficient appropriate evidence to draw a conclusion. This adds significant weight to the conclusion and adds a meaningful level of assurance.

Review Engagement Procedures

The standard requires a practitioner to design inquiry and analytical procedures to address all material items in the financial statements and to focus on areas where material misstatements are likely to occur. There are also conditional requirements a practitioner must be aware of regarding related parties, going concern, fraud, and non-compliance with laws or regulations. The depth of inquiry and analytics is that required by a skilled practitioner with an understanding of the entity. The procedures must generate sufficient appropriate evidence to form the conclusion required by the report. The standard is designed so that if the practitioner does not become aware of a possible material misstatement, then performing inquiry, analytics, and procedures addressing specified circumstances may be sufficient. There is no requirement to do more work.

Note, however, that the practitioner can perform procedures other than inquiries and analytics, for example, observation or confirmation, at any point in the engagement. This is a mat-

ter of professional judgment. Performing these procedures does not turn the engagement into an audit—an audit is based on a different structure altogether—one of risk assessment, response to risks identified, and more comprehensive specified procedures—whereas the objective of a review engagement is to provide limited assurance on the financial statements as a whole.

Additional Review Procedures and Reporting

It may be that, in the practitioner’s professional judgment, inquiries and analytical procedures either do not provide sufficient evidence to conclude on the financial statements, or something has come to the attention of the practitioner that would indicate the financial statements may be materially misstated.

In these instances, additional procedures must be performed to resolve the issue. Again, professional judgment in selecting these procedures is critical.

The additional procedures will result in the practitioner either:

- concluding that the matter is not likely to cause the financial statements to be materially misstated; or
- concluding that the matter does cause the financial statements

as a whole to be materially misstated, in which case the misstatement must be referred to in the practitioner’s report; or

- being unable to draw a conclusion about the likelihood of a material misstatement, in which case, a scope limitation must be referred to in the practitioner’s report.

A review engagement is an important service that provides a meaningful level of assurance, increases the credibility of financial statements, and helps meet the needs of a changing market. ISRE 2400 (Revised) is designed to be a globally accepted benchmark for undertaking such engagements. If you read it, you will understand why.

¹ ISRE 2400 (Revised) follows the release earlier in 2012 of International Standard on Related Services (ISRS) 4410 (Revised), Compilation Engagements, a standard that also addresses services that meet the unique needs of SMEs.

² International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements

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FEATURE

Good Legal Advice is Free

By David T. Daly, Sr., MBA, JD
Executive Education, Inc.

While common wisdom tells us “lawyers are expensive” and “legal costs are unpredictable,” a smart financial manager knows that getting the right legal advice up front helps avoid surprises and improve a company’s bottom line.

Quality is Free

Recent decades have seen a change in how most companies think about quality. Years ago, few companies sought to “manage” quality; today, most companies practice quality management. Phillip Crosby, one of the leaders of this quality revolution, taught that “quality is free.”¹ He believed that companies should think of quality, not in terms of “expensive” or “luxurious,” but rather as “conformance to specifications.” Viewed this way, a Mercedes-Benz isn’t necessarily *higher quality* than a Chevy, if each performs as designed.

Crosby felt that it’s wrong to think of the “cost of quality,” as if quality were an add-on to the company’s product you could buy for a price. Instead, a company should consider the cost of *non-conformance* when a product doesn’t conform to specifications. This includes the costs of delay, scrap, rework, returns, exchanges, warranty costs, discounts, diminished reputation and lost sales. When you total these costs, it’s clear that efforts to define product specifications lowers costs and saves money.

Counting the Cost of Legal Non-Conformance

A wise financial manager thinks about legal services in the same way. It is shortsighted to consider legal expenses as an optional overhead cost that eats into operating profit. A wise financial manager focuses instead on the cost of legal non-conformance.

What is “legal non-conformance?” Any dispute or problem arising from a failure to:

- understand and comply with a law,

- properly define a contract or legal relationship, or
- understand and comply with a contract term.

The goal should be to minimize any loss of value due to legal non-conformance.

What costs result from legal non-conformance? They include any:

- Legal settlement
- Judgment
- Fine
- Penalty
- Warranty cost
- Write-off of accounts receivable
- Lost business opportunity
- Employee time to support litigation
- Unhappy customer, supplier or employee
- Legal fee related to unnecessary litigation

When we set out to optimize company value by minimizing the cost of legal non-conformance, we see the cost of consulting a lawyer to prevent legal problems as part of the optimal solution.

Conclusion

A wise company integrates legal planning into its product offerings and every aspect of its business. When we consider the many costs and risks that may result from failing to understand, define or comply with a legal requirement, it becomes clear that good legal advice is free.

¹ Quality is Free: The Art of Making Quality Certain, Philip B. Crosby, Mentor Books, 1980.

David T. Daly, Sr. is a Plymouth, Michigan based attorney who specializes in international joint ventures and licensing agreements. He is an Executive Education, Inc. discussion leader.

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The Bahamas Institute of Chartered Accountants

Practice Monitoring

At the Annual General Meeting of the Bahamas Institute of Chartered Accountants (BICA) held in June 2012, a resolution was passed to implement the regional practice monitoring programme effective January 1, 2013. A committee chaired by President Jasmine Davis, has been established to draft procedures for the practice monitoring programme and to organize workshops to prepare practitioners for the review process.

Continuing Professional Development

BICA hosted a Business Seminar under the theme, Banking and Governance Issues for Professionals, in June at the British Colonial Hilton Hotel. The seminar focused on commercial banking issues, insurance models as wealth builders and the critically important topic of corporate governance for success in the 21st century.

Accountants' Week 2012

BICA's Annual Accountants' Week was held over the period November 4-10, 2012 under the theme, Supporting Development, Mitigating Change, Ensuring Accountability. The seminars held during the four-day event enabled accountants, business leaders and finance professionals to discuss critical issues and to examine how they can further develop the accountancy profession from a national, regional and global perspective.

The week of activities commenced with a church service at the Christ Church Cathedral Anglican Church and included seminar sessions at the Sheraton Nassau Beach Resort & Casino, West Bay Street from November 6-9. A cocktail reception was held on November 8, and the week ended with a Fun/Run/



Participants listen keenly during a seminar hosted during BICA's Annual Accountants Week held November 4-10, 2012.

Walk/Run on November 10, with part of the proceeds being donated to the National AIDS Foundation and the Cancer Society of The Bahamas.

Seminar topics and speakers during Accountants' Week included:

- *The Socio-Economic Impact of Regulating Electronic Communication* presented by Stephen Bereaux, Director of Policy & Regulations, URCA.
- *Legalizing the Numbers Business, and the key aspects of Development and Implementation* presented by Louis Lee Sing, Mayor of Port of Spain, Trinidad.
- *Risk Management Frameworks-An Overview & Analysis of Current Trends* delivered by Cassandra Nottage, Manager, Bank Supervision at the Central Bank.
- *Risk Based Regulations; Balancing Growth & Protection* by Iyandra Bryan, Associate at Higgs & Johnson.
- *Practice Monitoring; A Commitment to Progress* presented by Anthony Pierre, Partner, Deloitte & Touche, Trinidad.
- *Taxation Reform for the Bahamas* delivered by Kevin Burrow, Senior Vice President, CFAL.

National Development/Involvement

Members of the BICA Council met with representatives of the International Monetary Fund (IMF) as part of the 2012 Financial Sector Assessment Program (FSAP) on July 18-20, 2012. The FSAP provides in-depth examinations of countries' financial sectors. The IMF team assessed the regulatory regimes across three sectors in The Bahamas namely, banking and trust, securities and insurance.

BICA's Education Committee is represented on the Financial Community Advanced Technical Education Trust (FCATET) Advisory Committee. The Committee meets each year to interview and select recipients for scholarships to pursue technical degrees from accredited colleges.

Regional Development

Three members of BICA's Council met with representatives of the International Federation of Accountants (IFAC) and the World Bank in June in Antigua during the 2012 Caribbean Conference of Accountants, to discuss initiatives related to development of the accountancy profession in The Bahamas.

Zelma Wilson (1st Vice President of BICA) and Jasmine Davis (President of BICA) were elected as Director and Alternate Director, respectively, to serve on the Institute of Chartered Accountants of the Caribbean (ICAC) Board of Directors for the 2012/2013 term.

Industry Award Nominations

Renaldo Harding, member of BICA was nominated for The Bahamas Financial Service Board Industry Award for professional of the year. He has been a member of BICA since 2010.

Aldeka King, Tamara Heild and Teschandrel Nottage, members of BICA's student Club Y.A.C.H.T Club at the College of the Bahamas were also nominated for the prestigious 2012 Student of the Year Award. Aldeka King received the Award.

Institute of Chartered Accountants of Barbados

Policy Advocacy Social Partnership

As a member of the Barbados Private Sector Association (BPSA), the Institute of Chartered Accountants of Barbados (ICAB) attended the monthly meetings of the Sub-Committee of Social Partners which includes Government and the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB). Among the issues discussed were:

- Presentation by the Chief Parliamentary Counsel on the process of drafting laws in Barbados
- Presentation on the problem of Praedial Larceny
- Presentation by the Governor of the Central Bank on "Maintaining Policy Independence"
- Reports from the Barbados Action Team

Meeting with the Minister of Finance

ICAB was part of a delegation from the BPSA which met with the Minister of Finance to discuss the downgrade of Barbados' credit rating by Standard and Poors'. The meeting was also attended by the Governor of the Central Bank and the Chairman of the Council of Economic Advisors.

Task Force on International Business

ICAB was appointed a member of the task force on International Business which has been set up by the Ministry of International Business. The task force met on July 6, 2012 to discuss the future of the international business sector. President, David Simpson represents ICAB on this task force.

2013 ICAC Caribbean Conference of Accountants

ICAB's proposals for hosting the 2013 conference were approved by ICAC Board at its meeting held in June in Antigua. The conference planning committee has appointed eight sub-committees and an event planner to plan and execute the conference which is scheduled to be held at the Hilton Hotel,

Barbados from June 26-29, 2013 under the theme, *Global Challenges – Regional Solutions*.

CPD Activities

During the period July 1 – October 31, 2012, the following CPD activities were organized by ICAB:

- An IFRS for SMEs seminar on July 31, which was facilitated by ICAB Past President Andrew Brathwaite and ICATT member David Raggay.
- The annual International Business Update seminar on August 24.
- A Joint ACCA/ICAB IFRS seminar on September 13. The presenter was UK-based trainer Graham Fairclough.
- An ISA Update Seminar on September 14 with presenter, Graham Fairclough.
- An IBFD International Taxation of Expatriated Seminar held October 11-12 with presenters Shee Boon Law, Manager of Tax Research Services, IBFD; Andreas Perdelwitz, Principal Research Associate in IBFD and Laura Pakarinen, Research Associate of IBFD's European Knowledge Group. The seminar was designed to give the participants a thorough understanding of the tax implications for an employee moving to another country, either because the individual is seconded abroad or because he moves voluntarily to another country to take up employment there. It also informed participants about the possible consequences of emigration under domestic law, the relevant provisions of the OECD Model Convention on income and on capital, and the interaction between domestic law and the OECD Model.
- A Joint ICAB/CGA seminar on the topic *Success Factors for Corporate Governance* was held on October 18. Presenter was Jeffrey Sealey, BSc., MBA, FCMA, Founder and practice leader with the Business Solutions Network, a Caribbean base consulting organization. Mr. Sealey specializes in all areas of Business Performance Management.

Institute of Chartered Accountants of Belize

New Council for 2012/2013:

The Institute of Chartered Accountants of Belize held its 26th Annual General Meeting on July 26 at which the following persons were elected to Council for the period 2012-2013.

- | | |
|-----------------------|------------------|
| • Ms. Shawn Mahler | - President |
| • Mr. Reynaldo Magana | - Vice President |
| • Mr. Ivan Tesucum | - Treasurer |
| • Mr. Colin Mitchell | - Secretary |
| • Mr. Claude Burrell | - Member |
| • Mr. Brett Feinstein | - Member |

The newly-elected Council has agreed to appoint a special task force to review the Institute's bye-laws with a view to updating and strengthening the regulations. Assistance with this process will be sought from ICAJ.

Institutional Strengthening

Sub-committees have been established with the following chairpersons:

- Legal and Taxation Committee chaired by Claude Burrell
- Public Relations Committee chaired by Dwight Hulse
- Continuing Professional Development Committee chaired by Colin Mitchell

The Legal and Taxation Committee is responsible for updating the Institute's Bye-Laws and has commenced the first phase of the review process.

Continuing Professional Development

The CPD Committee is organizing a CPD seminar on Forensic Auditing to be held at the end of November 2012.

Institute of Chartered Accountants of the Eastern Caribbean

Continuing Professional Development

Members of ICAEC St. Lucia branch were invited to a workshop facilitated by the VAT implementation office during the second quarter of the year. The aim of the workshop was to provide a general understanding of the proposed VAT which was scheduled for implementation on October 1, 2012 and to solicit feedback from members regarding their concerns.

On November 14, the ICAC in partnership with ICAEC St. Lucia branch, hosted a workshop in St. Lucia for audit practitioners, accountants in private practice and accountants considering the application for private practice in the Eastern Caribbean. The training was also opened to internal auditors and Non-Audit practitioners. The audit training workshop focused on ISQC1, Quality Control for firms that perform audits and reviews of financial statements and other assurance and related services engagements (basis upon which practice reviewers assess firms) and an assessment of detailed work on audit files, etc.

A follow-up audit training workshop was held jointly by ICAC and ICAEC Antigua branch in Antigua on November 15.

Accountants' Week

The ICAEC Antigua Branch launched its Accountants' Week on Sunday, 14th October, 2012. The week of Activities was held under the theme, *Playing to Win - Staying Positive Amidst the Challenges*.

Corporate Governance and the responsibility of Directors and Shareholders within a company were among the issues highlighted during a seminar on *Corporate Governance and Ethical Responsibility within Businesses*, which was held on October 17. The seminar was led by Aubyn Hill, a Senior Executive and CEO in the banking and finance industry for over 25 years, and who is currently CEO of Corporate Strategies Ltd., a consulting company in Jamaica. He has also served as Chairman of Audit and Corporate Governance Committees.

A seminar on Taxation was also held on October 18 and was

facilitated by Neil Coates, Director, PricewaterhouseCoopers. The panel also included personnel from the Inland Revenue Department.

The Institute also collaborated with the Ministry of Education to conduct a business orientation session for secondary school students on October 16 to help prepare them for entry into the job market. The students were exposed to career choices and other life skill topics such as interviewing techniques and etiquette.

Other activities held during Accountants' Week were a Church Service at the Freemansville Methodist Church, media appearances and a cocktail reception.

Canada Trade and Development Agreement Meeting

Members of ICAEC St. Lucia branch were also invited to a meeting by the Ministry of Investment and Commerce regarding the proposed St. Lucia – Canada Trade and Development Agreement. The aim of the meeting was to obtain feedback from members regarding the measures that should be considered in granting access for practice in St. Lucia. Members lamented the fact that the profession in St. Lucia was “open” while even within CARICOM, members face barriers to trade in the form of residency requirements.

ICAEC Grenada branch hosted several Excel Workshops for business professionals in Grenada. The workshops were held on September 29th, October 6th, 13th, 20th, 27th and November 3rd.

Review of the ICAEC Operations Manual

On August 3rd participants from member states of the ICAEC met in St. Kitts to review the Operations Manual of the ICAEC. The review process is part of the World Bank sponsored project to strengthen the institutional capacity of the ICAEC.

ICAC 2012 Conference

The 30th ICAC Caribbean Conference was successfully hosted by ICAEC Antigua branch over the period June 21 – 23, 2012.

Institute of Chartered Accountants of Guyana

Representation to CARICOM

Members of Council of the Institute of Chartered Accountants of Guyana (ICAG) met with Timothy Odle, Deputy Programme Manager at the CARICOM Task Force on the draft Professional Services Policy for the Single Market and Economy.

Mr. Odle made a presentation on the main features of the draft Professional Services Policy. During the meeting, the ICAG Council outlined the structure of the accountancy profession internationally, regionally and locally including the roles of IFAC, ICAC and ICAG. Concerns regarding the impact of the proposed policy on the accountancy profession were raised with the CARICOM representative.

Accountants' Week

ICAG hosted its annual Accountants' Week – a series of continuing professional development seminars during the period September 19 to 21. The presenters included the Honorable Minister of Natural Resources and Environment, Mr. Robert Persaud, members of ICAG and other professionals.

The seminar sessions covered topics such as:

- Review of Practice Monitoring, Development in Financial Reporting and Update on Audit and Ethics Issues;
- The need for International Public Sector Accounting Standards (IPSASs) in Guyana; and
- Oil, Gas and Minerals Sectors: Legal, Accounting and Tax

Continued Professional Development

The following CPD seminars were organized by the Institute during the period:

- *Developments in Financial Reporting* – presented by Mr. Rakesh Latchana, FCCA, Partner of Ram & McRae, and covering recent pronouncements from the International Accounting Standards Board.
- *Update on Audit and Ethics Issues* – presented by Mr. Harryram Parmesar FCCA, Partner of Parmesar & Co., and covering recent pronouncements from the International Auditing and Assurance Standards Board and the International Ethics Standards Board.
- *The Need for International Public Sector Accounting Standards in Guyana* – presented by Mr. Anand Goolsarran FCCA, Former Auditor General of Guyana.

Students' Recognition Ceremony

ICAG hosted a Students' Recognition Ceremony at the Pegasus Hotel, Guyana on October 13 for ACCA and CAT students who successfully completed the December 2011 and June 2012 examinations.

Ten students completed the December 2011 sitting of the ACCA exams while 18 students completed the June 2012 sitting.

Twelve students completed the December 2011 sitting of the CAT exams while 20 students completed the June 2012 sitting.

Newsletter

ICAG published its half-year newsletter in July in which developments in accounting, auditing, tax and other relevant areas were carried.

Institute of Chartered Accountants of Jamaica

Annual General Meeting

The 47th Annual General Meeting of the Institute of Chartered Accountants of Jamaica was held on Tuesday, July 17, 2012, at the ICAJ Secretariat in Kingston. The following persons were elected to Council for the period 2012/2013:

- Miss Vintoria Bernard – President
- Mr. Dennis Chung – Vice-President
- Mr. Dennis Brown – Honorary Treasurer
- Mrs Ethlyn Norton-Coke – Honorary Secretary
- Mr. Archibald Campbell
- Miss Prunella Vassell
- Mrs. Ann Marie Rhoden
- Mrs. Glossie Stone
- Mr. Linroy Marshall
- Mr. Martin Gooden
- Mr. Audley Gordon
- Mr. Bruce Scott
- Mr. Raymond Campbell
- Mr. Alok Jain

Continuing Professional Development

ICAJ hosted a Taxation Seminar entitled, *Complex Tax Issues Unravalled* on September 12, 2012 at the Knutsford Court Hotel in Kingston. The topics covered included Deferred Taxation; Administration/Compliance; and General Consumption Tax. Presenters were Denzil Whyte, Group Taxation and Regulatory Reporting Manager, National Commercial Bank Jamaica Limited; Charles O'Connor, Chief Executive Officer, Charles O'Connor Consulting Network; and Meris Haughton, Director of Communications, Tax Administration Jamaica.

ICAJ, in collaboration with ACCA hosted a joint seminar entitled, *Debt Management and You!* at the Knutsford Court Hotel on October 27. Presenters included Megan Deane, Chief Executive Officer, Creditinfo Jamaica and Dennis Chung, Financial Analyst and Vice-President, ICAJ. The topics covered included, Principles of Effective Debt Management for the Individual, Implications of the Impending Credit Bureau, Proliferation of Investment Clubs and

Debt Management in Jamaica.

Graduations

ICAJ/ACCA Joint Certified Accounting Technician Graduation

Thirty-five (35) students graduated during the joint ICAJ/ACCA Certified Accounting Technician (CAT) Graduation Ceremony which was held at the ICAJ Secretariat on August 25. Shereka Ellis received the ICAJ's CAT Award for attaining the highest overall average mark of 71.33% in the June 2011 examination, while Sheroy Lawrence received the Sushil Jain Award which is presented to the youngest of the graduates completing the June and December examination sittings. Guest speaker was Mrs. Marjorie Gaynor, Educator and Distinguished Toastmaster.

ICAJ/ACCA Joint Professional Graduation

The ICAJ/ACCA Joint Professional Graduation was held on October 27 at the Wyndham Kingston Hotel. Guest speaker was the Director of Public Prosecutions, Paula Llewellyn who congratulated the graduates on their achievements and urged them to maintain high ethical standards. Sixty-three graduates were honoured at the event. Nicquain Tomlin received the ICAJ Award for attaining the highest average of 71.67% in the December 2011 sitting (Knowledge Level) while Krystal Thomas received the Sushil Jain Award for being the youngest graduate to complete the June and December exam sittings combined.

Community Outreach Programme

ICAJ's Outreach Sub-Committee continues to implement activities for its two projects - the Elsie Bemand Girls and Sunbeam Boys Homes. Presentations of clothing and blankets, donated by members, were handed over to the homes in October. A benefit play is being planned for the two charities next year.

Institute of Chartered Accountants of Trinidad & Tobago

Stakeholder Focus

On September 7 and October 5, the Institute of Chartered Accountants of Trinidad & Tobago (ICATT) attended the Central Bank of Trinidad and Tobago Payments System Council Meeting. ICATT continues to work with the Central Bank to ensure that adequate attention is given to all aspects of the development of the electronic payment systems.

ICATT also had the opportunity to participate in NEM's Leadership Consultants Seminar entitled "Making the Transition ... from Meltdown to Recovery" on September 20. Some of the topics discussed were how can organizations add value through compliance, the investment environment, improving the competitiveness and productivity of Trinidad and Tobago, civil society initiative and growth opportunities in a third world country.

Additionally, ICATT hosted two ICAC Teleconference Meetings, ICAC Regional Taxation Committee and participated in the ICAC Regional Technical Committee held in September.

During the period November 5 to November 7, ICATT partnered with Scotiabank's Small Business Week of Activities themed, "Celebrating Small Business – Your Passion, Our Solutions". As part of this partnership, members of ICATT's Executive Council - Anthony Pierre, Derek Mohammed and Rudranand Maharaj - made presentations on behalf of ICATT to the local Chambers of Industry and Commerce, including:

- Tobago Chamber of Industry and Commerce
- Chaguanas Chamber of Industry and Commerce
- Penal/Siparia/Point Fortin – Debe Chamber of Commerce

Bi-Council Meeting

At ICATT's Bi-Council Meeting held on September 26, 2012, Mrs. Roselyn Ramdin-Doobraj and Mrs. Camille Cumberbatch-Dhoray were appointed to fill the casual vacancies on the Council until the next Annual General Meeting. Mrs. Cumberbatch-Dhoray was also appointed as Vice Chair to the Investigations and Professional Accountants in Business (PAIB) Committees and Mrs. Ramdin-Doobraj was appointed to Chair the Public Sector Accountants Committee.

Continuing Professional Development

Annual International Finance and Accounting Conference
Staying Ahead of the Curve was the theme for ICATT's Annual International Finance and Accounting Conference held at the HYATT Regency in Port of Spain on October 9 and 10. The two-day conference examined recent developments in the world economy both regionally and locally. The ICATT conference featured a cadre of prominent local and international presenters, with diverse experience in the field of accounting and business. Some of these distinguished speakers included:

- Senator the Honourable Basant Bharath, Minister of Trade, Industry and Development
- Senator Helen Drayton, Independent Senator
- Mr. Ian Ball, CEO, International Federation of Accountants
- Mrs. J. E Braithwaite, President, Institute of Chartered Accountants of the Caribbean
- Mr. Mozammel Hoque, Senior Financial Management

- Specialist, Latin American and the Caribbean, World Bank
- Mr. Sha Ali Khan, Head of Practice Monitoring, ACCA
- Professor Avinash Persaud, Chairman, Intelligence Capital Limited

The keynote speaker Professor Avinash Persaud, addressed the issue of "Exploring Trinidad and Tobago as the Financial Centre of the Caribbean: A Regional Perspective," while Mr. Ian Ball, CEO of the International Federation of Accounts delivered the feature address on the topic, "Staying Ahead of the Curve: Accounting Transparency and Financial Stability".

Attendees were equipped with the necessary framework to assist them in realigning strategy, objectives as well as working in partnership with other stakeholders to deliver programmes, professional networks and supporting resources to ensure that they stay ahead of the curve.

Pension Update Seminar

ICATT hosted a Pension Update Seminar on November 9 at the Arthur Lok Jack School of Business. The session which targeted employers, investment analysts, auditors and advisors, pension plan trustees and management committee members, accountants and other professionals involved in the pension plan and retirement savings market. The seminar discussed several topics which included changes to IAS 19 and transferring between deferred annuities and pension plans as well as challenges with recent changes to legislation.

IFRS Update

ICATT and ACCA jointly held a forum on IFRS for SMEs in September 2012 to sensitize members of the profession and other stakeholders about the standards and requirements for Small and Medium-sized entities and to seek further clarification on the standard.

IFRS update for ACCA Trinidad Report on September 10 brought further clarity concerning the Standard. There have been likely changes to the Standard reflected in revenue and leases. Revenue is due to have a new IFRS in 2012. The project to develop the new standards is a joint initiative with FASB in the USA as they have developed a system for revenue recognition which identifies revenue in all transactions as the seller discharges his 'performance obligation'. The project is still in its formative stage.

Council of Securities Regulators of the Americas (COSRA) Meeting

ICATT participated in the 9th meeting of the Council of Securities Regulators of the Americas (COSRA) held October 29 and 30 at the Hyatt Regency, Trinidad. Issues such as the development of Corporate Bond Markets; Investor Education, Corporate Governance and Capital Financing in Small and Medium-Sized Enterprises were discussed. This meeting was moderated by local, regional and international experts such as the Inspector of Financial Institutions, Carl Hiralal; Tula Alexopoulos of the Ontario Securities Commission and Clemente del Valle of the World Bank.

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IFAC ANNOUNCES ELECTION OF NEW PRESIDENT AND DEPUTY PRESIDENT

The International Federation of Accountants (IFAC) on November 16 announced the election of Warren Allen of New Zealand as president for a two-year term ending November 2014. The IFAC Council also approved the nomination of Olivia Kirtley of the United States as deputy president, a role previously held by Mr. Allen.

Mr. Allen has served on the IFAC Board for six years. He was elected deputy president in 2010, and chaired the Planning and Finance Committee, which leads the development of IFAC's strategic plan. He is executive director and recently retired partner of Ernst & Young New Zealand and is a past president and Life Member of the New Zealand Institute of Chartered Accountants. He previously served on IFAC's Education Committee (now the International Accounting Education Standards Board) for over 10 years, including in the capacity as chairman from 1998 to 2004.

Ms. Kirtley will serve as deputy president for a two-year term and also as chair of the Planning and Finance Committee. She joined the IFAC Board in 2007 and has chaired the Governance and Audit Committee. Ms. Kirtley is a non-executive director for U.S. Bancorp, Papa John's International, Inc., and ResCare, Inc. She has also served as chair of the American Institute of Certified Public Accountants (AICPA) and of the AICPA Board of Examiners.

New Board Members Elected

The IFAC Council meeting also included the election of six new members to the IFAC Board: Carol Bellringer (Canada), Norunn Byrkjeland (Norway), Dr. Yugu Chen (China), Pamela Monroe Ellis (Jamaica), Dr. In-Ki Joo (South Korea), and Russell Loubser (South Africa). The IFAC Council also re-elected Jacques Potdevin (France) and Marta Rejman (UK). These additions and re-elections add to the diversity of the IFAC Board in terms of gender, geography, and professional experience.

CALL FOR NOMINATIONS FOR IFAC BOARDS AND COMMITTEES FOR 2014

IFAC has issued a notice of call for nominations for Boards and Committees in 2014 along with its companion guide: *Developing a Nominations Strategy*. These in-depth documents are designed to help stakeholders identify the most qualified nominee for each available position on the boards and committees. They contain strategic and practical advice for nominating organizations and individuals, allowing them to make more informed decisions in their selections and to understand the requirements for and expectations of nominees. For more information about IFAC's Nominating Committee, its due process, or guidance in selecting the best candidate, please visit www.ifac.org/about-ifac/structure-governance/nominating-committee.

The official call for nominations will be issued on **January 15, 2013**, and nominations may be submitted from January 15 to March 15, 2013. All applications should be submitted electronically via the IFAC nominations database. Instructions on how to submit a nomination will be included in the *Call for Nominations*.

IFAC RELEASES REVISED STATEMENTS OF MEMBERSHIP OBLIGATIONS

IFAC has recently released a revised *Statements of Membership Obligations (SMOs) 1-7 (Revised)*. The SMOs which are globally recognized as a framework for credible and high-quality professional accountancy organizations (PAOs)—form the basis of the IFAC Member Body Compliance Program and are also of relevance to regulators, educators, the donor community, and others with responsibilities for developing the accountancy profession and promoting the value of professional accountants worldwide.

“We revised the SMOs to clarify IFAC members' obligations when they have varying degrees of responsibility for the adoption and implementation of international standards and to enhance the requirements for quality assurance and investigation and discipline,” said Manuel Sánchez y Madrid, retiring chair of the IFAC Compliance Advisory Panel (CAP), which led the revisions.

IFAC technical staff has also developed A *Comparison Guide to the 2012 SMO Revisions*, which provides further explanation of the revisions and serves as a tool for IFAC member organizations to identify and understand them.

IAESB RELEASES REVISED STANDARD ON ASSESSMENT OF PROFESSIONAL COMPETENCE

The International Accounting Education Standards Board (IAESB) has released the revised International Education Standard (IES) 6, Initial Professional Development—Assessment of Professional Competence. The revised education standard will help IFAC member bodies and other professional accountancy organizations understand the learning and development requirements for assessing professional competence, and their obligations in upholding the standards. The revised standard addresses elements that are essential to assessing professional competence of an aspiring professional accountant.

The IAESB has undertaken a project to redraft all eight of its IESs in accordance with its new clarity drafting conventions, as outlined in its 2010-2013 Strategy and Work Plan.

IAASB PROPOSES STANDARD ENHANCING AUDITOR RESPONSIBILITIES FOR DISCLOSURES

The International Auditing and Assurance Standards Board (IAASB) has released for public comment proposed International Standard on Auditing (ISA) 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*.

The proposed standard clarifies and enhances the scope and focus of auditor efforts on “other information”—that is, information included in documents containing or accompanying the entity's audited financial statements. The proposals recognize that significant changes in financial reporting have occurred over the last two decades regarding the information issued in connection with an entity's financial statements and the manner in which it is shared with users.

The proposed ISA 720 expands the documents considered as “other information,” and clarifies and enhances the nature of the auditor’s responsibilities with respect to reading and considering other information. In addition, it includes guidance to assist auditors to determine the nature and extent of their work in considering the other information.

The IAASB invites all stakeholders to comment on its proposals. To access the Exposure Draft or submit a comment, visit the IAASB’s website at www.iaasb.org. Comments on the exposure draft are requested by **March 14, 2013**.

IPSASB PUBLISHES PUBLIC SECTOR CONCEPTUAL FRAMEWORK EXPOSURE DRAFTS

The International Public Sector Accounting Standards Board (IPSASB) has released for comment two Exposure Drafts related to its project to develop a Conceptual Framework for the general purpose financial reporting of public sector entities. The Conceptual Framework continues to be the IPSASB’s key strategic objective and is of fundamental importance to the future of global public sector standard setting.

Conceptual Framework Exposure Draft (ED) 2, *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Elements and Recognition in Financial Statements*, refines the issues highlighted in the Consultation Paper published in 2010 and reflects the IPSASB’s consideration of the responses to that Consultation Paper. Elements are the building blocks from which the financial statements are constructed.

Conceptual Framework Exposure Draft (ED) 3, *Measurement of Assets and Liabilities in Financial Statements*, identifies the measurement concepts that should guide the IPSASB in the selection of measurement bases for International Public Sector Accounting Standards. The ED stresses the importance of selecting measurement bases that meet the objectives of financial reporting decision-making and accountability.

To access the Exposure Drafts and the At-a-Glance documents which provide summaries of the two Exposure Drafts, or to submit a comment, visit the IPSASB website. Comments on the Exposure Drafts are requested by **April 30, 2013**.

IPSASB PUBLISHES CONSULTATION PAPER ON IPSASs AND GOVERNMENT FINANCE STATISTICS REPORTING GUIDELINES

The International Public Sector Accounting Standards Board (IPSASB) has released for comment the Consultation Paper (CP), *IPSASs and Government Finance Statistics Reporting Guidelines*. The Consultation Paper was developed by a task force that includes representation from both the IPSASB and the statistical community, including international organizations such as the International Monetary Fund and Eurostat, and national representatives from Brazil, the United Kingdom, South Africa, and Switzerland.

The Consultation Paper aims to help reduce differences between Government Finance Statistics (GFS) reporting guidelines and International Public Sector Accounting Standards (IPSASs). It provides an overview of differences between GFS reporting guidelines and IPSASs, and identifies opportunities to reduce these differences for consideration by either the IPSASB or the statistical community. The Consultation Paper also aims to support governments’ use of integrated financial information

systems that can generate both IPSAS financial statements and GFS reports. To access the Consultation Paper and the At-a-Glance document which provides a summary or to submit a comment, visit the IPSASB [website](http://www.iaasb.org). Comments are requested by **March 31, 2013**.

IFAC ISSUES NEW REPORT FOR PROFESSIONAL ACCOUNTANTS IN BUSINESS

The Professional Accountants in Business (PAIB) Committee of IFAC has issued *Integrating Governance for Sustainable Success*, which uses case studies to analyse how professional accountants in business support the performance of their organizations by integrating governance into the key drivers of sustainable organizational success. The new report illustrates that good governance is more than the basic protection of stakeholders’ interests or compliance designed to satisfy regulatory requirements. Rather, integrating good governance throughout an organization offers powerful support to the way sustainable value is created. The report addresses how professional accountants support their organizations to build good governance into the entire cycle of strategic planning, resource utilization, value creation, accountability, and assurance. Such a holistic approach ensures that governance is integrated into all aspects of an organization.

INTERNATIONAL DONOR INITIATIVE MOSAIC GAINS TWO NEW SIGNATORIES

Two new signatories were welcomed to MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration) recently at the second Steering Committee Meeting held in London, UK, hosted by the Chartered Institute for Public Finance and Accountancy (CIPFA). The Australian Agency for International Development (AusAID) and Global Fund to Fight AIDS, Tuberculosis, and Malaria have agreed to become a part of this groundbreaking initiative working to strengthen professional accountancy organizations (PAOs), improve financial reporting, management, and auditing in both the public and private sectors, and positively impact economic growth and poverty reduction around the world.

The second meeting of the MOSAIC Steering Committee offered an opportunity for presentation and discussion of the draft PAO Global Development Report. Co-financed by the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, and the World Bank, this report provides MOSAIC signatories and observers with a global view of PAO development; insight into the key trends, challenges, and success factors facing their progress and a shared starting point to guide future MOSAIC activities. Agenda topics also included potential initial activities for MOSAIC support and coordination and establishment of a permanent MOSAIC Secretariat.

“As MOSAIC grows in strength and number, we are able to see how and where the international development agenda can support PAOs in developing and emerging economies, which, in turn, provides an essential platform for sound financial reporting and economic growth,” said Deborah Williams, co-chair of the MOSAIC Steering Committee and chair of the IFAC PAO Development Committee.

MOSAIC was launched in November 2011 by IFAC and 10 signatories from the donor community to increase coordination and provide the foundation for increasing capacity of PAOs.



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