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Frank V. Myers

PRESIDENT'S MESSAGE

As 2013 draws to a close, I must thank the ICAC Board of Directors, member institutes, our affiliates and the CEO and her staff - all of whom continued to provide invaluable support in what has

been a very challenging year.

ICAC Initiatives Update

Implementation of the *regional practice monitoring programme* continued during the year with member institutes from the Bahamas and Belize finalizing arrangements to commence monitoring visits in 2014. Additionally, several member institutes, namely the Institutes of Barbados, Guyana and Trinidad, are approaching the end of their monitoring contracts with the ACCA. We are currently in discussions with our service provider, the ACCA, as to the continuation or extension of existing contracts while we prepare ourselves for what is really a quantum leap in terms of the delivery of services to members by way of the establishment of a regional monitoring unit.

Member bodies will be aware of a proposed initiative by CARICOM to implement a *regional policy for the Provision of Professional Services within CSME*. This will have significant implications for our profession and it is extremely important that we let our voices be heard at the highest level. The ICAC Board will be submitting a paper to the CARICOM Secretariat outlining its views on the draft policy and to that end a meeting was held with Mr. Timothy Odle of the CARICOM Secretariat during the 2013 ICAC annual conference in Barbados as a prelude to the submission of our position paper. The ICAC Secretariat is in the process of liaising with members institutes with a view to receiving input for the position

paper with the expectation that input will be received to facilitate submission of the paper to CARICOM early in the New Year. This representation to the CARICOM Secretariat will also create the opportunity for us to initiate discussions with key government decision makers in our respective jurisdictions towards the participation of our profession in finding solutions for the economic challenges that affect all CARICOM countries.

As the year progressed, it became evident that the *annual membership subscription* needed to be reviewed if only because it has been some six or seven years since the last adjustment. I know that the instinctive reaction will not be favourable, but I am hopeful that member institutes will in turn convince their members of the need to support this increase, which is critical to ensuring the continued sustainability of the ICAC. The Board will consider a proposal from the Treasurer on this matter at its meeting in February 2014.

Strategic Review & Board Meeting Update

On September 20, 2013, prior to the first meeting of the new ICAC Board that took office in June 2013, the Board undertook a review of the current strategic plan to determine where we stand in relation to the goals and objectives set out in that plan and what adjustments, if any, should be incorporated into a plan to chart the way forward for the ICAC over the next 3-5 years. This highly successful session was led by Jasmine Lassen and Andrew Leck, both senior HR personnel from the ACCA. We once again extend our gratitude for the support that ICAC continues to receive from its affiliate, ACCA.

After an identification and prioritization of future trends impacting the profession, we conducted an internal as-is analysis before doing a SWOT analysis of the ICAC. This led to the identification of

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three key priorities that will form the focus of the next strategic plan. It is expected that the Board will consider a final document at its next meeting.

Among the key decisions taken at the ICAC 67th Board of Directors meeting held on September 21, 2013 were the continuance of discussions with ACCA to renew monitoring contracts for one year with those regional institutes whose contracts end in 2014 and for the ICAC to have representation on the 2014 Conference Planning Committee of the Suriname Institute through the Chief Executive Officer.

The structure of the ICAC regional committees that exist to facilitate the implementation of the regional goals and initiatives of the ICAC were also reviewed at the Board meeting and it was agreed that the Education and Joint Seminar Committees would be merged to form one committee – Education & Joint Seminars. The co-ordinating institute which has responsibility for this Committee is The Bahamas Institute of Chartered Accountants (BICA). A Terms of Reference will be formulated by the Committee under the chairmanship of BICA's President, Jasmine Davis and presented to the ICAC Board for review at its meeting in February 2014.

It was also agreed that the Taxation sub-committee which was established in February 2012, should be a full committee and no longer a sub-committee of the Technical Committee. This decision was based on the importance of taxation matters not only regionally but also internationally. 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. The co-ordinating institute which has been assigned responsibility for this committee is the Institute of Chartered Accountants of Guyana (ICAG).

Regional & International Contribution

On October 8, 2013, I represented the ICAC at the annual conference of our member institute, the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), and delivered greetings on behalf of the ICAC. The theme of the conference was, quite apt, "*Avoiding the Fiscal Cliff*" and not surprisingly was of a very high standard with excellent speakers and topics.

We congratulate ICATT for its leadership, initiative and the standards of excellence that it continues to uphold. The staging of this annual conference is just one example of the valuable contribution that the Institute continues to make to the development of the accountancy profession in the twin island republic, and within the region.

I also represented ICAC at the ordinary meeting of the IFAC Council in Seoul, South Korea on November 13 and 14, 2013. Prior to the Council meeting, the annual consultative meeting between IFAC and Regional Organisations/Accountancy Groupings was held on November 12, 2013.

The consultative meeting was chaired by IFAC President Warren Allen and attended by Fayezul Choudhury, IFAC CEO along with Deborah Williams, Chair – PAO Development Committee; James Dickson, Chair - Compliance Advisory Panel; Sylvia Tsen, Director - Quality and Member Relations, and Gary Pflugrath, Director - Public Policy and Regulation. The IFAC

President and the CEO shared their perspectives on IFAC's future strategy and related business lines and the opportunities they provide for collaboration with regional organizations and accountancy groupings while Deborah Williams and James Dickson spoke to compliance and development initiatives. A key part of the meeting was the invitation to each regional organization and accountancy grouping to share its top priority for 2014, centered on the following key themes:

- Capacity
- Regulation and policy
- Adoption and implementation of standards
- RO/AG's own Governance and Operations

It was interesting to note that all accountancy groupings and regional organizations had similar problems and it certainly emphasized that instead of trying to re-invent the wheel in certain instances, we should seek to collaborate with other groupings using the opportunity created by IFAC.

With respect to the Council meeting, the focus of the first day was on the consideration of a new dues formula and changes to the IFAC constitution and byelaws. The proposals as presented to the meeting were not accepted. In the case of the proposed changes to the byelaws and constitution, many persons sought clarity on the proposed changes and with regards to the new dues formula, persons requested a review along specific lines and the results will go back to the IFAC Board early next year. The second day of the Council meeting focused on reports and approval of accountancy bodies for associate and full memberships. Five new associates and five new members were approved, the latter including CISPA which was sponsored by ICAEW.

I also had one-on-one meetings with the IFAC President Warren Allen as well as the organizers of the 2014 World Congress of Accountants and the Vice President and Head of International Affairs of ICAEW.

ICAC Annual Conference

The ICAC 2014 annual conference is slated for June 5 – 7 and for the first time will be held in a non-English speaking territory - Suriname. I must thank the President of ICAB David Simpson for his generosity in extending to the SUVA planning committee his experiences from the 2013 conference that was held in Barbados. This involvement, along with that of Andrew Brathwaite, who chaired the 2013 Conference Speakers Committee, will be critical as we work with SUVA towards ensuring a successful conference. Our greater involvement in the conference planning this year is placing tremendous pressures on our small secretariat and we must be grateful to our CEO who often works beyond the call of duty on this, our flagship event. It is now for all of us to do justice to all the efforts of the planning team by turning out in large numbers for the 2014 conference. I look forward to welcoming you to Suriname in June 2014 for the 32nd Annual Caribbean Conference. More details on the conference are included on page 3 of this newsletter issue.

I take this opportunity to wish you and your families a Merry Christmas and all that is good in the New Year. I look forward to your continued support in 2014.

Frank V. Myers
President



SAVE THE DATE: *June 5-7, 2014 for the ICAC's 32nd Annual Caribbean Conference*

The 32nd Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) will be held in Paramaribo, Suriname over the period June 5-7, 2014 under the theme, “**Back to Basics: Sharing our Values**”. The conference will be hosted by the Suriname Institute of Chartered Accountants (SUVA) and will be held at the Torarica Hotel & Casino (www.torarica.com).

The 2014 Conference will continue the trend of providing regional finance professionals and business leaders with the opportunity to examine the current developments in key areas such as financial reporting, corporate governance and strategic leadership, against the back drop of the theme: **Back to Basics: Sharing Our Values**. The wide range of topics will seek to emphasize that underlying the use of the great technologies that were developed in the late 20th and early 21st centuries are principles that are essential for any economic system to succeed; integrity being perhaps the foremost among them.

“We are hopeful that the discussions emanating from the 2014 Conference will contribute towards a strengthened profession to support the region’s future growth. Our cadre of speakers will be recognised leaders drawn from the region and internationally, and as with past conferences, the 2014 Conference is expected to attract over 300 delegates from the Caribbean as well as from the United Kingdom, United States and Canada,” states ICAC President, Frank Myers.

“The Caribbean Conference of Accountants is the premier event on ICAC’s calendar and the 2014 Conference will be historic in that, for the first time, it moves from the islands of the English-speaking Caribbean to a non-English speaking territory, which is in keeping with our mandate to embrace all accounting bodies in the region. I congratulate SUVA for taking up the challenge to host the Conference and we are confident it will stage yet another memorable event,” says Mr. Myers.

We encourage you to take advantage of the early bird registration fee which is available until March 31, 2014.

CONFERENCE FEES

DELEGATES

- US \$535 (Early Bird Fee) – Members*
- US \$585 (Early Bird Fee) – Non-members
- US \$595 (Regular Registration fee) – Members*
- US \$650 (Regular Registration fee) – Non-members

SPOUSES

- US \$225 (Early Bird Fee)
- US \$300 (Regular Registration Fee)

* Members include members of ICAC member bodies (regional institutes), affiliates and associates

Conference events include:

- **Thursday, June 5**
Welcome Cocktail Reception
- **Friday, June 6**
Conference session (Day 1)
President’s Dinner
- **Saturday, June 7**
Conference session (Day 2)
Closing Fete

For further details on the Conference contact: the *Suriname Institute of Chartered Accountants (SUVA)* at info@suva.sr or (00597) 6801335/8633705.

World Congress of Accountants 2014 to be held in Rome

Plans are progressing for the next World Congress of Accountants scheduled for November 10-13, 2014 in Rome at the magnificent Auditorium Parco della Musica. The conference is themed, **“2020 Vision: Learning from the Past, Building the Future”**.

WCOA 2014 will explore the evolution and showcase the innovations that will shape the future of the accountancy profession. The event will offer a unique opportunity for the accountancy profession to observe and leverage on past experiences and to develop a new vision for the future.

The WCOA 2014 will also be a valuable showcase for all the institutes and firms wishing to share their projects and visions with other accountants, professional associations, firms, and international organizations.

Rome and Italy offer a unique opportunity to experience one of the most important historical places in the world, through immersion into art, cuisine and music. Join more than 130 institutes and organizations from across the world to participate in an unforgettable experience.

A wide range of topics will be discussed at the WCOA 2014 with the objective of providing accounting professionals with the prerequisite needed to further develop the profession. Topics that will be discussed in plenary sessions and concurrent sessions over the four days include:

Plenary session: *Enhancing Government transparency and accountability: a way to economic growth.*

Plenary session: *Integrated Thinking: The Key to Improved Performance and Value Creation.*

Plenary session: *2020 Vision - Learning from the Past, building the Future in the eyes of the Accountancy Profession.*

Concurrent session: *Financial Reporting and Integrated Thinking enhancing accountability and decision-making.*

Concurrent session: *Assurance of Business Information - approaches to rising expectations.*

Concurrent session: *Ethics, Legality and Corporate Responsibility - accountants and companies seeking the right balance.*

Concurrent session: *Education and Capacity Building - skills accountants need to meet current and future demands.*

Concurrent session: *Business Advisory Services - competencies, challenges, synergies, and innovations.*

For further information and registration details including fees and deadlines, please visit www.wcoa2014rome.com or contact info@wcoa2014rome.com.

New ICAC Website -Now “Live”!

The Institute of Chartered Accountants of the Caribbean (ICAC) recently improved and upgraded its website at www.icac.org.jm.

The new website features extra content within the menu structure and user-friendly online facilities for our member bodies, accounting professionals and other users of the website. The improvements and new features to the website include:

- An online resource page that provide users with access to useful links (eg IFAC documents) and other technical resource documents;
- Updated components and modules such as access to ICAC member bodies and their membership listing, interface for the KESDEE e-learning programme, a photo gallery, and a Director’s Login Area;
- Adaptable design to different mobile devices and menu for use on mobile devices;
- Regional map with country markers and information bubble.

We invite you to visit the website at www.icac.org.jm and give us your views and feedback.



The Institute of
Chartered Accountants
of the Caribbean

Wishes You
Our Valued Partners
all the best for
this Christmas Season
and the New Year





Carole Eleuthere-JnMarie, ACCA International Assembly Rep. for the Caribbean and Americas

A CPD Seminar on *Code of Ethics and Conduct*

was held on Wednesday September 4, 2013 at Bay Gardens Hotel, St Lucia. The more than 70 students and members who attended were treated to lively and interactive presentations by Carole Eleuthere-JnMarie, ACCA International Assembly Representative for the Caribbean and Americas; Dr Stephen King representing the Medical and Dental Association of St Lucia and Ermin Moise representing the St Lucia Law Association.



Graham Fairclough, UK-based trainer

ACCA and ICATT partnered to host three CPD seminars

on *Client Money, IFRS* and *ISA* at the Hilton Trinidad and Conference Centre on November 7, 9 and 10 respectively. The CPD events were conducted by 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). The events attracted over 150 participants.



LEADING THE WAY WITH OUR COMMITMENT TO QUALITY

We are committed to quality. We differentiate ourselves from other accountancy bodies through the range and quality of our products and services, technical work, members and ethics.



Association of Chartered Certified Accountants (ACCA)

Long-term value creation focus in IR Framework is a positive step, says ACCA

Plans for an integrated reporting (IR) framework are a step in the right direction but need to be developed further, says ACCA in its response to the IIRC's consultation about the way ahead for IR and the IR framework. ACCA says its own research, *Understanding Investors: directions for corporate reporting*, has shown that many stakeholders would welcome integrated reporting, seeing in it a number of benefits such as a focus on the long term, including a better understanding of long-term risks to the business model and wider insights into how corporate value is created, with the added benefit of influencing the way that companies approach their strategic planning and their operational management practices.

Application of capitals to Integrated Reporting explored in new Background Paper

The current and future application of capitals in Integrated Reporting (IR) is explained in a report prepared for the IIRC (International Integrated Reporting Council) by a group led by ACCA and the Netherlands Institute of Chartered Accountants (NBA). The Background Paper for IR explores the multiple capitals that are recognised as a fundamental concept for IR. The IIRC has identified capitals as financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. When reported together, these capitals represent an important picture of an organization's value creation. All organizations depend on various forms of capital for their success, including ones they do not own, and the different capitals should be part of the organization's business model and strategy.

Investors have lost trust in company reports, reveals ACCA study

New research from ACCA showed investors being more sceptical of corporate reports since the global financial crisis. Nearly two-thirds of the 300 investors surveyed in *Understanding Investors: directions for corporate reporting* told ACCA that managers have too much discretion over the financial numbers they report, while a sizeable majority of investors stated that they are more receptive to information generated from outside a company such as the news and social media than traditional corporate reports. Worryingly, 45 per cent identified the annual report as being of no use.

American Institute of Certified Public Accountants (AICPA)

AICPA Releases Financial Reporting Guidelines to Assist Privately Held Businesses

The American Institute of CPAs (AICPA) has released guidelines to help privately held businesses determine which accounting framework, including the Financial Reporting Framework for Small- and Medium-Sized Entities (FRF for SMEs), is most suitable for their financial reporting needs. The National Association of State Boards of Accountancy (NASBA)

provided input into the development of the new tool for CPAs and Main Street businesses.

Prior to the issuance of this tool, the AICPA released illustrative financial statements and disclosures, developed as an aid to implementing the FRF for SMEs and to help distinguish between financial statements based on the new framework and GAAP-prepared statements.

The AICPA has developed the FRF for SMEs for use by private, owner-managed businesses when GAAP financial statements are not required. The framework was designed to provide financial statement users with useful, relevant information in a simplified, consistent, cost-effective way.

The tool is available online at no cost at [Decision Tool for Adopting an Accounting Framework](http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/PCFR/DownloadableDocuments/FRF-SME/FRFforSMEs_DecisionTool.pdf) (http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/PCFR/DownloadableDocuments/FRF-SME/FRFforSMEs_DecisionTool.pdf)

House of Representatives approve legislation prohibiting requirements for mandatory audit firm rotation

The U.S. House of Representatives in July approved legislation which would prohibit the Public Company Accounting Oversight Board (PCAOB) from requiring mandatory audit firm rotation. The July 8 vote on the Audit Integrity and Job Protection Act, H.R. 1564, was 321 to 62.

The PCAOB has been considering auditor rotation since 2011. The Financial Times' Tracy Alloway wrote that, "The PCAOB proposal was met with heavy criticism and lobbying from the accounting and financial industry, which said there was little evidence that switching auditors would help prevent future scandals." The paper reported that AICPA President and CEO Barry Melancon, CPA, CGMA, welcomed the result of the House vote. "In the absence of evidence that mandatory audit firm rotation would enhance audit quality, the House has sent regulators in the United States and Europe a clear message that the time has come to end the debate over rotation," he said.

Certified General Accountants Association of Canada (CGA-Canada)

SMEs key to kick starting the Canadian economy says CGA-Canada report

The Certified General Accountants Association of Canada (CGA-Canada) released a background paper which highlights the importance of small and medium-sized enterprises (SMEs) as the key to kick starting the Canadian economy and diversifying Canada's export markets to build export momentum.

The CGA-Canada report shows that SMEs in particular could be taking greater advantage of the opportunities available in faster growing emerging economies. One example of a successful Canadian small business was showcased in a recent study done by the Edinburgh Group, in partnership with CGA-Canada. Casey O'Neill, president and co-founder of Cypress

Solutions, noted that success did not come overnight. It took years to develop a strong reputation built on the right products and services.

As the CGA-Canada report points out, while having the right goods to export is important, there is a clear role for policymakers to play in helping SMEs succeed globally. The federal government's ambitious trade agenda could potentially boost businesses prospects, but challenges that SMEs face in export diversification should be addressed through domestic policy changes and enhanced resources. It will mean improving SMEs' access to financing and skilled labour, increasing the country's regulatory efficiencies, and ensuring Canada has a competitive logistics infrastructure.

CGA-Canada is undertaking a research and consultation project to identify the challenges and opportunities presented to the SME sector by Canada's international trade agenda. In the coming months, CGA-Canada will consult with export-oriented SMEs and other stakeholders to learn from their experiences. The project will culminate in a report with policy recommendations directed at the federal government, intended to ensure that Canada's SMEs are well positioned to succeed in new international markets.

Study shows level of disclosed risks does not predict business performance

A study by the CGA-Canada Accounting and Governance Research Centre (CGA-AGRC) at the University of Ottawa examined the relationship between risk disclosure and business performance, and found that the level of disclosed risks does not appear to predict the company's business performance.

Regulations require companies to disclose important trends and risks that have affected, and may in future affect, their financial statements. While major changes in business performance occurred during the financial crisis and economic recession of 2008 and 2009, company annual reports published in 2007 and 2008 identified only minor increases in disclosed risk exposure, risk consequences and risk management strategies. Moreover, the timing of changes in financial market, operational and accounting performance differed significantly. While the financial crisis had an immediate effect on measures reflecting the market value of equity, it had more of a delayed effect on sales and earnings before interest and tax (EBIT) margins.

"Enterprise risk management (ERM) still has value," says Daniel Zéghal, FCGA, Executive Director of the CGA-AGRC and a co-author of the study. "In fact, the findings may be pointing to the inefficiency of risk communication strategies rather than limitations of ERM programs. Firms that engage in ERM should be able to better understand the aggregate risk inherent in different business activities."

The study, Enterprise Risk Management and Business Performance during the Financial and Economic Crises, was published in Problems and Perspectives in Management.

Institute of Chartered Accountants in England and Wales (ICAEW)

ICAEW is the Anti-Money Laundering Supervisor to 13,000 firms

The increasing complexity of money laundering regulation

has led ICAEW to launch a new Anti-Money Laundering Service to take the risk and pain out of compliance. <http://www.icaew.com/~media/Files/Technical/Legal-and-regulatory/money-laundering/7315-money-laundering-web.pdf>

Milestone for insurance accounting rules; companies need to pay attention

In response to the IASB's latest exposure draft of *IFRS 4 Phase II: Insurance Contracts* Hitesh Patel, Chairman of ICAEW's Insurance Committee, said it represented a long-awaited milestone and stressed the need to finish the job.

<http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/milestone-for-insurance-accounting-rules-companies-need-to-pay-attention>

ICAEW: Leading the way at AAA

ICAEW hosted panel discussions at the American Accounting Association meeting this August on the latest developments in accountancy and finance, including the proper extent of financial disclosures to more philosophical themes such as the future of global reporting and how the profession can be reinvented for the 21st century.

<http://www.ion.icaew.com/moorgateplace/27113>

ICAEW ONLINE TRAINING PROGRAMMES

ICAEW Corporate Finance Qualification:

A finance qualification developed by ICAEW and the Chartered Institute for Securities and Investments.

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

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/ifrss-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-learning-and-assessment-programme>

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>

CPD for Banking Finance Professionals

<http://www.icaew.com/en/qualifications-and-programmes/leadership-development/cpd-finance>

Anti-Money Laundering Service

<http://www.icaew.com/en/technical/legal-and-regulatory/money-laundering/anti-money-laundering-service>

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**PREPARED TO
BE DIFFERENT**

Risk Assessment: Why Financial Managers Must Facilitate Risk Discussions in their Organizations

By Dan Chenoweth, MBA, CPA, Executive Education, Inc.

We human beings are optimistic. Most of us focus primarily on what we get from a transaction. While we may also look for the downside, we tend to understate obstacles if we want the reward badly. We have high expectations for the unknown, often reflected by “hockey stick” revenue projections. We are over-confident about our abilities. Research indicates individuals will rate themselves in the population’s top 20% on almost any variable. Are you in the top 20% of CPAs? I am. Are you in the top 20% of safe drivers? I am. You get it.

Teams are over-confident as well as individuals. That’s where we financial managers come in. We are logical, love data to support decisions, and are somewhat skeptical. If proposed actions could jeopardize the organization’s financial position, we search for the “cloud inside the silver lining.” Even if other senior executives are firmly behind a decision to launch a new product, enter a new marketplace or acquire another company, we generally seek further information to ensure the reward is commensurate with the risk.

From my perspective, there are four major roles for financial managers. Typically, we do an excellent job in the first three, but we can all use help with role number 4.

Role #1 – Financial historian and translator. We must understand our financial statements and the cause/effect relationships that create value. We are good at connecting the dots and presenting financial information in understandable ways to non-accountants.

Role #2 – Facilitate strategy discussions. We are good prognosticators because we have to be. There is always next year’s budget to compile and periodic revisions as the year progresses. The budget quantifies the organization’s strategic initiatives and assumptions. Therefore, we must be a full partner at the planning table. I argue that the financial manager is better equipped than the other senior executives to facilitate strategy discussions. Why? Second only to the CEO, we see the big picture and focus on the bottom line. On the other hand, other senior executives focus primarily on maximizing their piece of the puzzle.

Role #3 – Assessing and managing compliance risks. Here is where we shine. We are intimately aware of risks associated with threats to monetary strength, profit margin or capital investment. Examples include cash flow, budget requirements, tax obligations, reserve requirements, creditor and debt management. We assure adequate internal controls are in place, insurance is sufficient, and the company complies with all tax, legal and other regulatory obligations.

Role #4 – Assessing and managing strategic risks. Our skills are probably weakest in this area, yet risk management is emerging as perhaps our most important, value-added role. Research estimates less than 1/10 of 1% of risk events will cause at least 50% of corporate losses. Who in your organization is looking out for strategic risks *and* has the analytical skills to

detect something that could jeopardize the company’s future success? Examples:

- Within days of last year’s Japanese Tsunami and atomic energy problems, U.S. auto manufacturers had to cut back production. Only three companies make a certain critical electronic automobile component and they are all located in Japan! Sole sourcing a unique product is less expensive, but leaves no fall-back plan when the supplier has a disaster. Who monitors similar risks in your company?
- Wal-Mart stock prices plunged on news the company bribed Mexican officials to quicken expansion and then tried to cover up the corruption. There is always investor pressure for growth. When does a company “cross the line”? Who monitors these risks in your company?
- Salmonella bacteria caused a recall of over 500 million eggs a few years ago. FDA inspections found the barns of two egg producers, Wright County Egg and Hillandale Farms, infested with flies, maggots and rodents, and had overflowing manure pits. Who in your company assures there is an appropriate productivity and safety balance?

So what resources are available to us to take the lead in assessing and managing strategic risks?

- First, familiarize yourself with the comprehensive risk management guidelines provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).¹ COSO’s *Risk Management, Integrated Framework* provides the definitive U.S. risk management standard.
- Familiarize yourself with tools to PROACTIVELY anticipate strategic risk. Some examples:
 - **The Risk Cascade Model (McKinsey and Company).** This model looks first at “risk triggers” (changes in factors affecting your industry) then at how those risk triggers could impact your business activities.
 - **The Heat Map** plots the likelihood a risk event may occur against the magnitude of the event’s consequences.
 - **Scenario Planning.** In an ever-changing, tumultuous world it may make sense to analyze more than one possible future and

¹ Sponsors include the American Accounting Association, AICPA, Association for Accountants and Financial Professionals in Business, Financial Executives International, and The Institute of Internal Auditors.

7 Tips for Accountants on Supporting the Globalization of Small Businesses

The following article discusses the rapid increase in international activity among small businesses and the implications for the SMPs that serve them. It shares seven tips for small- and medium-sized practices (SMPs) from the Edinburgh Group (EG)'s recently published report, *Growing the Global Economy through SMEs*.

Globalization is not a new phenomenon but what is new is both its velocity and how it affects small- and medium-sized entities (SMEs). The impact on SMEs has significant implications for accounting practices, in particular small- and medium-sized practices (SMPs), that typically serve SMEs. According to the Edinburgh Group (EG)'s recently published report, *Growing the Global Economy through SMEs*, SMPs may need to carefully critique the services they provide to SMEs seeking to internationalize. As a starting point, the report suggests specific actions for SMPs that include developing more understanding and expertise internally, strengthening relationships with funding institutions, and building international networks of trusted professional and business contacts. SMPs have the potential to become a key agent for the internationalization of small business if they are able to provide SMEs with the advice they need.

Globalization of SMEs

SMEs are a vital and integral part of the global economy. According to the OECD, they account for the majority of private sector employment and GDP as well as a disproportionately large share of new jobs; they are a major source of entrepreneurship and innovation. These SMEs are increasingly becoming part of the global business community. Dramatic changes in communications, transportation, and information technology have accelerated the pace of globalization. SMEs now regularly manufacture products and provide services in many countries and sell to customers and clients around the world—just as large multinational companies have been doing for many years.

The EG report reveals a significant amount of international activity among the SME sector. Almost 75% of the SMPs it surveyed have clients that have some sort of international aspect to their business, even if it is simply buying goods or services from abroad.

Role of SMPs

While globalization presents great opportunities for SMEs—not least new markets for their goods and services—it also poses great challenges. Perhaps the greatest challenge SMEs face is the lack of human capital, including managerial expertise, and financial resources to take advantage of these opportunities. IFAC research indicates that SMEs will likely look to SMPs, their trusted business advisors, to fill the resource gap. The EG report, however, suggests that SMPs themselves must ready themselves to capitalize on the opportunities created by the internationalization of small business.

Recommendations for SMPs from the EG Report

The EG report (page 5) makes the following recommendations for SMPs:

1. *Provide more proactive support to SMEs in their planning for internationalization, including support in identifying the most attractive, fast-growing international markets.*

2. *Develop knowledge and information resources to guide SMEs through the red tape challenge associated with international activity, and to help them access all appropriate sources of funding.*
3. *Build relationships with banks and other key financiers of international investment and trade, to facilitate introductions between these funding sources and SME clients.*
4. *Identify where SMEs are dealing in foreign currency and seek opportunities to provide value-adding advice in areas such as managing foreign exchange risks and forecasting currency needs.*
5. *Consider whether additional networking opportunities exist to build relationships with other professionals or to help connect SME clients with each other to create mutually supportive environments and information channels.*
6. *Assess how the proactive delivery of services targeted at SMEs with international ambitions could help to grow practice income, as well as strengthening client relationships and the firm's wider reputation.*
7. *Consider whether developing the international resources available to the practice—for example, by participating in an international network of accountancy firms or building more direct close relationships with firms in other countries—could benefit the firm itself, and its SME clients.*

SMEs are increasingly being integrated into the global business community. However, in order for SMEs to maximize the opportunities from internationalizing their business, they need timely advice. SMPs are well placed to provide this counsel.

Resources

IFAC's website hosts a range of resources and tools to help SMPs implement these recommendations. These resources and tools help SMPs enhance their practice management and build their capacity to offer business advisory services. See [Resources and Tools](#) in the SMP area of the IFAC website (www.ifac.org/SMP) and the SMP Committee's [Delicious](#) page, which features bookmarked links to relevant free resources (filter by Practice Management [especially [Module 2](#) on networks] and [Business Advisory](#)).

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The Bahamas Institute of Chartered Accountants

Continuing Professional Education Seminars

On October 25, 2013, BICA held a seminar in Freeport, Grand Bahama under the theme, “*Value Added Tax (VAT) & Its Applicability*”. Presenters were Mr. John Rolle, Financial Secretary of the Ministry of Finance; Mr. Ishmael Lightbourne, VAT Coordinator of the Ministry of Finance; Ms. Pauline Peters, VAT Consultant of the Ministry of Finance and Mr. Paul Hanson, Regional Director of Finance of Old Bahama Bay.

On October 30 & 31, 2013, BICA held a two-day workshop under the theme, “*Guide to Practical Audit Compliance for Partners and Managers*”. The workshop was conducted by Mr. Michael Scott, who is a member of the Institute of Chartered Accountants in Ireland and ACCA.

VAT Taxation Committee

On December 4, 2013, the Institute launched its Taxation Committee comprising 23 members in public practice, industry and senior members of the profession. The main objectives of the Committee are to:

- Consider, review, prepare and present recommendations to the Council concerning the accounting aspects of the proposed legislative and government measures relating to matters of taxation and associated fiscal policies.
- Support the Council in educating the Institute’s members and the public on issues relating to matters of taxation and associated fiscal policies.

President of BICA, Ms. Jasmine Davis has given the VAT Committee a mandate to focus on accounting and business issues as it relates to the practical nature of implementing VAT by July 1, 2014.



Members of the VAT Taxation Committee introduced at a press conference on Dec. 4, 2013. The VAT Committee is chaired by Mr. Reece Chipman, Vice Secretary of BICA.

Accountants Week 2013

Accountants Week 2013, the flagship annual event of the Institute, was held at The Sheraton Nassau Beach Resort & Casino on November 11- 14, 2013, under the theme “*Broadening Our Expertise to Support the Changing Economic Environment*”. It was a time of learning and networking

by accounting professionals, business leaders, and finance professionals who participated in the event.

The Week commenced with a church service held at St. Anne’s Anglican Church. The Ministry of Finance sponsored Day One of the presentations under the theme, “*Preparing for VAT Implementation: Presenting All the Factors*”. The event was well-attended by approximately 500 persons.

On Day 2 of the presentations themed, “*Building on Our Foundations In Accounting & Financial Services*”, Mr. Szymon Radiszewicz, Senior Technical Manager, IFAC spoke on the topic, *IFAC Statements of Membership Obligation (SMOs)*. Mr. Mozammal Hoque, Senior Financial Management Specialist for Latin America & the Caribbean with the World Bank also spoke on the topic, *Institute Building Capacity*.

“*Maintaining Our Technical Competency*” was the theme of Day 3’s presentations, while Day 4 examined “*Cutting Edge Tools, Energy Reform, Ethics & Certification Fundamentals*” with speakers, Mr. Mark Whitehouse, Managing Partner of BGC Ltd.; Simon Townsend, Partner of KPMG; Mr. Geoff Andrews, Partner Deloitte & Touche, and Ms. Keshelle Kerr Executive Director of The Chamber of Institute.

The week ended with a Fun Run Walk Push held on Saturday November 16 from which part proceeds will be donated to the National AIDS Foundation.

Legislative Reform Committee

The Legislative Reform Committee played a vital role in the Accountant’s Week program, as it met with BICA members to discuss pending changes to the legislation. Some key changes were necessary to ensure BICA’s compliance with IFAC’s SMOs, in particular SMO 1, 3, 5 and 7.

The Legislative Reform Committee is chaired by the 1st Vice President, Mrs. Darnell Osborne, who is assisted by past presidents Mr. Wayne Aranha and Mr. Philip Galanis.



From left to right: Mr. Prince Rahming, Chairman of the Bahamas Financial Services Board; Ms. Jasmine Davis, President of BICA; Ms. Aliya Allen, CEO Bahamas Financial Services Board and Mr. Ryan Pinder, Minister of Financial Services in the Bahamas.

Recognition Awards

The Bahamas Financial Services Board held its Annual Gala Awards Dinner on November 1, 2013 at which BICA’s President, Ms. Jasmine Davis, was nominated as “Executive of

the Year”.

Student Outreach Programme

The College of The Bahamas student and faculty members attended Accountants’ Week on November 14, 2013 and were provided with a book on “*How to become a Professional Accountant*”. The students networked with BICA’s members and BICA’s President, Ms. Jasmine Davis presented one of them with an electronic tablet for answering the question on how long BICA was in existence.

The BICA student membership registration was launched to register students who wish to participate in the activities of the Institute.

The Chair of BICA’s SMEs Committee participated in the BFSB (Bahamas Financial Services Board) Student of the Year

Working Group. The BFSB award was presented to Jasmine Williams at the Gala Awards Dinner on November 1, 2013. Jasmine Williams holds a BBA in Banking and Finance (with Spanish).

Membership

During Accountants Week, the Membership & Licensing Committee, chaired by Aaron Jones and Brent Roberts, launched its online membership cards. This now allows members of BICA to pay membership, license and application fees, and swipe in order to attend seminars.

Institutional Strengthening

The Legislative & Reform Committee amended the legislation with the assistance of the Attorney General of The Bahamas. The legislation is now complete.

Institute of Chartered Accountants of Barbados

ICAC Annual Conference

The Institute of Chartered Accountants of Barbados (ICAB) hosted the ICAC 2013 Conference of Caribbean Accountants during the period June 27-29, 2013. The ICAC 2013 Planning Committee, sub-committees, PR Plus (Event Planner), ICAB’s staff and a team of volunteers worked steadily to plan and execute the conference. Both anecdotal evidence and the results from the evaluation forms completed by delegates, indicate that the conference achieved the technical and social objectives and was rated a success. Corporate sponsorship exceeded target as the event attracted 17 sponsors. The 39 conference speakers from around the world were all well-received by the delegates and their contribution added to the success of the conference.

Policy/Advocacy

Sub-Committee of Social Partners

On July 26, 2013, a special meeting of the Sub-Committee of Social Partners was held at the Hilton Hotel to discuss the Barbados economy. The Minister of Finance outlined some options facing the government and discussed them with representatives of the Unions and Private sector. The Prime Minister was in attendance. ICAB was represented by its Vice President, J. Roger Arthur.

Financial Statement & Budgetary Proposals

On August 13, 2013, the Minister of Finance, Hon. Christopher Sinckler, presented the Financial Statement & Budgetary Proposals to the Parliament of Barbados. The Budget featured a 19-month structural adjustment programme aimed at halting the economic slide, preserving the existing fixed exchange rate with the US dollar, reducing Government’s fiscal deficit, and laying a foundation for economic growth. ICAB’s comments on the Budget were placed on its website and carried in the news media.

Continuing Professional Development

The following CPD events were hosted by ICAB during the period:

- A presentation and discussion on “*The Barbados Economy – Challenges and Opportunities*” held on August 6, 2013

at the Hilton Hotel. The presenter was Dr. Delisle Worrell, Governor of the Central Bank of Barbados.

- A seminar on “*Leadership - Simple but not Easy*” on August 15, 2013 at the Hilton Hotel. The presenters were Rosalind Jackson and Ambassador Robert Morris.
- An “*International Business – Wealth Management*” seminar on August 30, 2013 at the Hilton Hotel.
- The annual joint ACCA/ICAB CPD seminar, “*IFRS Update*” was held at the Hilton Hotel on September 12, 2013. The presenter was Mr. Graham Fairclough of the UK.
- The annual seminar on “*International Standards on Auditing*” was held at the Hilton Hotel on September 13, 2013. The presenter was Mr. Graham Fairclough of the UK.
- ICAB and the Barbados Bar Association held a seminar entitled, “*Keeping Client Money Safe – the Experience of the UK*” on September 14 at the Hilton hotel. The presenter was Mr. Graham Fairclough of the UK.
- A free public presentation on “*The Prevention of Corruption Act – It’s Impact on the Willingness of Persons to Serve in Public Life*” was held on September 25, 2013 at the Courtyard by Marriott Hotel. The panelists were:
 - Leslie Walcott, Deputy Dean, Faculty of Law, UWI, Cave Hill Campus
 - Lanai Daisley, Attorney-At-Law
 - Lionel Weekes, Retired Permanent Secretary
 - Andrew Brathwaite, Chartered Accountant and Immediate Past President of ICAB
- The International Bureau for Fiscal Development (IBFD) (with administrative support from ICAB), hosted an international tax workshop on the topic, “*An Introduction to VAT*” at the Accra Beach Hotel on October 9-11, 2013.

- The annual joint ICAB/CGA seminar focusing on the topic, “A Process Driven Approach to Assessment & Mitigation of Operational Risk” was held on October 18, 2013.

Communications

During the period under review ICAB sought to strengthen its

internal and external communications. The monthly newsletter, ICAB eNotes was published in June 2013 after a hiatus. The aim of the newsletter is to keep members informed about ICAB’s initiatives. Additionally, ICAB’s Facebook group continues to be an excellent discussion forum for members. ICAB also continues to enjoy strong profile in the Barbados news media.

Institute of Chartered Accountants of Belize

Continuing Professional Development

The Institute of Chartered Accountants of Belize’s (ICA – Belize) continuing professional development guidelines were revised in August 2013 and was presented to the membership at the Annual General Meeting in October 2013.

A CPD seminar covering Enterprise Risk Assessment and Information Systems Audit will be held in December 2013. The 2014 CPD calendar has been completed and will cover a wide range of topics including, *Growing the Practice* and *Fraud Investigation*. The seminars are slated to be held in the months of March, July, September and October 2014.

ICAC Annual Caribbean Conference – June 2015

A Conference Planning Committee has been designated to oversee the planning and coordination of the 2015 Annual Caribbean Conference in Belize. A terms of reference for the Committee has been prepared and is awaiting approval of Council. Council is currently in discussion with the Belize Tourism Board and the Ministry of Tourism for assistance and sponsorship of the 2015 ICAC Conference.

Upcoming Events

ICA-Belize annual Christmas social for members was held on December 12, 2013 at the Radisson Fort George Hotel and Marina.

Institute of Chartered Accountants of the Eastern Caribbean

ICAEC Rules and By-Laws Dissemination Workshops

The ICAEC is in the final stages of the World Bank project for institutional strengthening. In July 2013, dissemination workshops were held in Saint Lucia, Grenada and Antigua to discuss the Operations and Quality Assurance Manual. These workshops, jointly hosted with the World Bank and the Eastern Caribbean Central Bank, were facilitated by consultant Professor Zeljko Sevic.

The Manual seeks to guide the operation of the ICAEC and will be implemented in all member states of the Institute which includes Anguilla, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia, St Vincent and the Grenadines. Once the final document has been agreed by all branches of the Institute, these rules will be implemented and the local branches will then begin public awareness programmes so that the general public, including investors, financial institutions, regulators and Inland Revenue will hold accounting professionals to the highest standards.

ICAEC Antigua branch

On August 22, 2013, the ICAEC Antigua and Barbuda branch hosted a seminar on the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) at the Grand Royal Antigua Resort. The topics covered included: Scope and Concepts of the standards and the specific areas of Financial Statements, Accounting Policies, Revenue, Inventories, Investment Property, Property Plant and Equipment, Impairments, Leases, Provisions, and Income Taxes.

ICAEC Dominica branch

On July 30, 2013, accountants and other finance professionals in Dominica attended a one-day workshop on IFRS. The workshop was conducted by five branch members who attended

The Train the Trainer Workshop on IFRS in St. Kitts in May 2012. This workshop gave attendees an overview of IFRS’s and IAS’s relevant to their business entities. The persons who attended the workshop were from the Credit Union Movement, local accounting firms and private sector businesses.

ICAEC Saint Lucia branch

A series of half-day workshops were held during the month of August on full IFRS for members and non-members. The workshops were very well-attended. Facilitators were drawn from the trainers who attended the Train-the-Trainer workshop held in St. Kitts that was facilitated by representatives from the IASB.

On August 14, 2013 the ICAEC St. Lucia branch was represented at a discussion forum regarding the development of an investment policy for St. Lucia.

ICAEC Grenada branch

A workshop was held in August that focused on IFRS for SMEs. Some 20 persons attended and obtained six hours CPD.

Institute of Chartered Accountants of Guyana

Membership and Students Matters

In an effort to increase membership, the Institute of Chartered Accountants of Guyana (ICAG) has been targeting professional accountants who are not members and encouraging them to register as members of the Institute.

The Institute has approached the Association of Chartered Certified Accountants (ACCA) to discuss difficulties affiliates encounter in satisfying the requirements for membership and the possibility of modification.

A total of nine students completed the June 2013 ACCA Examination, while 13 students completed the CAT Examination.

Practice Monitoring

A comprehensive report outlining ACCA Quality Assurance Review Team's findings from their visit of ICAG members in the first half of 2013 has been received. The Regulatory Committee is reviewing the report and will submit a final report and recommendations to the Council of ICAG.

Continuing Professional Development

An International Financial Reporting Standards (IFRS) workshop was held by ICAG in August 2013 at the Regency Suites/Hotel focusing on developments in IFRS. Topics covered

were:

- Annual Improvements Projects of IASB
- Guide for Micro-sized Entities
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- Exposure Draft on Leases
- Expose Draft on Revenue Recognition

The workshop was a part of the Technical Committee's programme which has planned CPD activities through to November 2013.

National Development

ICAG provided comments on the Draft Insurance Act and the Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Bill 2013, following reviews of the proposed legislation by the Institute's Technical Committee in July and August 2013.

Additionally, ICAG highlighted matters of inconsistency between Supervision Guideline No. 10 issued by the Bank of Guyana, and other legislation and IFRS. Council is awaiting a meeting with officials of the Bank of Guyana to discuss the inconsistencies and their implications.

Institute of Chartered Accountants of Jamaica

Continuing Professional Development

The Institute of Chartered Accountants of Jamaica (ICAJ) hosted a seminar on *Forensic Accounting* on July 20, 2013 at its Secretariat. The session was facilitated by Mr. Collin A. Greenland, Forensic Accountant. The importance, uses and benefits of forensic accounting to organisations and individuals as well as the techniques used in forensic accounting/audit examinations, were discussed.

A Taxation seminar was held on September 25, 2013 at the Jamaica Pegasus Hotel under the theme, "*Compliance in the Midst of Tax Reform*".

ICAJ and ACCA hosted a joint seminar on October 26, 2013 at the Knutsford Court Hotel under the theme, "*Future of the Finance Professional and the Impact of Cybercrime*". There were 130 attendees.

Two workshops were also held on "*Calculating and Understanding Deferred Taxation*" on November 21 and 23, 2013 at the ICAJ Secretariat.

Student Development

ICAJ/ACCA Joint Scheme

Fifteen (15) students successfully completed the CAT examination for June 2012, December 2012 and June 2013, while 64 students were successful in the ACCA Professional examination for December 2012 and June 2013. The students

were honoured at the ICAJ/ACCA Joint Professional Graduation Ceremony which was held on October 26, 2013, at the Jamaica Pegasus Hotel. The guest speaker was Dr. Godfrey McAllister, Supreme Court Mediator, Dispute Resolution Foundation.

Orientation/Rap Sessions

ICAJ hosted orientation/rap sessions in Mandeville and Ocho Rios on July 13, 2013 and July 27, 2013 respectively. The sessions provided students with important information about the ICAJ/ACCA Joint Scheme Programme and Operating Procedures, Roles and the Structure of ICAJ, and Exam Preparation Techniques. Students were given a motivational presentation which focused on developing the positive attitudes necessary to be successful in FIA and ACCA examinations.

ICAC Regional Publicity Committee

ICAJ convened two meetings of the Regional Publicity Committee on August 22 and on October 17, 2013. The Committee has proposed that an ICAC Lifetime Achievement Award be established to recognise members of ICAC member bodies who have contributed significantly to the development and prestige of the Accountancy profession within their respective territories and regionally. The Award would be presented at the ICAC annual conference in June as part of increasing ICAC's visibility and enhancing the profile of the regional accountancy profession.

Prospective Members Cocktail Reception

A prospective members' cocktail reception was held on October 3, 2013 at the ICAJ Secretariat. Approximately forty (40) persons including graduates of the UWI MSc Accounting and ACCA programmes attended the event.

Meeting with UWI MSc Accounting Students

A session was organized for students of the MSc. Accounting programme on September 30, 2013 at the UWI, Mona Campus, which was attended by approximately 50 students. Presentations were made on the benefits of ICAJ membership and the role that the ICAJ plays in the professional development of accountants.

Professional Development Clubs

The ICAJ Toastmasters Club achieved the "President's Distinguished Club" status, the highest Club designation on June 20, 2013. The Club has been dedicated to helping accountants become better speakers and leaders and provides an accommodating and encouraging environment where members have the opportunity to conquer their fear of public speaking and hone their presentation skills.



ICAJ President, Mr Dennis Chung (left) presents the CAT Award to Mr. Shane Arnold, for his outstanding performance in the CAT June 2012 examination. The CAT Award is presented to the student completing the entire programme in three (3) sittings over a maximum of two years, with the highest mark of those who sat the examinations. Mr Arnold also received the Sushil Jain Award presented to the youngest CAT candidate who completes the final stage of the ICAJ/ACCA Examinations on the first attempt each year.



Miss Vintoria Bernard (right), ICAJ Immediate Past President and Chairman of the Student Affairs Committee, presents the Fundamental Level Award (Knowledge Module) to Ms Alexandra Oberheim for attaining the highest score in the ACCA December 2012 examination.

E-Commerce/On-line Database System

ICAJ continues to update and improve its e-commerce and on-line database system, Aeorion Extend, to improve communication between the Institute and its members while making it easier and more convenient to do business with the Institute.

George S. Willie Resource Centre

Located at the ICAJ Secretariat, the George S. Willie Resource Centre assists members, students and the general public with research needs. The Resource Centre currently provides Internet access and publications in accounting, auditing and taxation for

research purposes. The Institute is exploring the cost sharing of subscription for the EBSCO database - *Accounting & Finance Learning Centre* - with ICAC members to enhance its electronic resources.

Institute of Chartered Accountants of Trinidad & Tobago

Stakeholder Focus

The Central Bank of Trinidad and Tobago held its monthly meeting on July 5, 2013. The Electronic Payment System is expected to be implemented on a phased basis during the 4th quarter of 2013.

On July 11, 2013, ICATT's Insurance Committee met with representatives of the Association of Trinidad and Tobago Insurance Companies (ATTIC) to prepare recommendations for submission to a Joint Select Committee of Parliament with responsibilities for drafting amendments to the Insurance Bill.

The first issue of the 2013/2014 Handbook of Professionals produced by the Trinidad and Tobago Group of Professional Associations (TTGPA) was distributed to key stakeholders on July 2, 2014 at the Blanchisseuse Room, Courtyard Marriott. A listing of ICATT's Practising Members is included in this handbook. The handbook is designed to assist business organisations, the public and non-governmental organizations to access a register of all professionals who are approved by

their respective associations to practice as professionals. This is useful for projects, consultancy and for the development of the society as a whole, as well as within our Caricom market.

On August 21, 2013, Ms. Nadia Mohammed represented ICATT at the third meeting of the Financial Intelligence Unit (FIU) Listed Business Working Group.

On September 9, 2013, the Accreditation Council of Trinidad and Tobago (ACTT) hosted a workshop themed, "A conversation with Professional Bodies". Mr. Subert Gilbert, ICATT's General Manager was invited to present on the Institute's action plan for the year 2014.

ACCA Meeting

ICATT's Executive Council met with ACCA's Director of Qualifications, Mr. Arthur Hatfield to discuss the changes in its programme delivery. It was outlined that ACCA within the next five years is to change the delivery of its exams by utilizing technology. The meeting noted that there will be no

changes to the examination during the current year. However, F4 will be offered in CBE from December 2014. ACCA is also considering offering four exam windows per year in March, June, September and December. Stakeholders will be informed/consulted at least twelve months before the introduction of any changes.

Continuing Professional Development

ICATT and ACCA jointly hosted an Ethics seminar on July 16, 2013. The presenters included Ms. Christine Sahadeo, ACCA's International Assembly Representative for Trinidad & Tobago and Professor Winston H.E. Suite. The session was moderated by Ms. Brenda Lee Tang, Head ACCA Caribbean. This interactive networking session facilitated discussion surrounding ethical practices in relevant case situations.

On July 29-30, ICATT along with the Caribbean Association of Audit Members INC (CAACM), jointly hosted the Regional Caribbean Association of Audit Members Meeting and Conference at the Trinidad Hilton and Conference Centre. The conference was sponsored by First Citizens Bank, KPMG, PwC Jamaica, De Surinaamshe Bank and Newgen Software.

A new Board of Directors was elected during the Annual General Meeting held at the end of the first day of the conference.

ICATT/ISACA Trinidad Chapter jointly hosted a seminar on August 29 themed, *Information Technology: Your Partner in*



CAACM's Annual General Meeting & Conference:

From left to right - Mr. Wendell Lawrence, CEO, Caribbean Governance Consultants Inc., St. Kitts; Mr. Derek Mohammed, President, ICATT; Mr. Philip Marshall, Director of the Strategic Management Office of the Ministry of Finance and the Economy and Mr. Austin Gittens, Chairman of CAACM.

providing value. The event was held at the Arthur Lok Jack Graduate School of Business. The presenters included Mr. Owen Fields, V.P. Membership, Project Management Institute of Southern Caribbean Chapter; Mr. Warren Sookdar, Chief Information Officer, First Citizens Group; Mr. David King, Managing Director, Continuity Services Limited and Mr. Lenny Abrahams, Manager, PricewaterhouseCoopers, Forensic Services Department, Bahamas.

Annual Conference

ICATT hosted its largest and most prestigious International Financial and Accounting Conference themed, *"Avoiding the Fiscal Cliff"* over the period October 8 – 9, 2013 at the Hyatt Regency, Trinidad.

The overall objective of the conference was to create a forum



Speakers and Sponsors at ICATT's Annual International Financial & Accounting Conference 2013.

that offered financial professionals, both local and regional the valuable opportunity to engage in Continuous Professional Development (CPD). The conference also addressed critical issues affecting the financial sector and the global economic climate. Topics included but were not limited to:

Avoiding the Fiscal Cliff – Energy, Banking and Commerce Perspective.

- *Avoiding the Fiscal Cliff – The Technological Perspective – the impact of technology on Business.*
- *Avoiding the Fiscal Cliff – The international Economic/ Financial institutions perspective.*
- *Avoiding the Fiscal Cliff - The Minister of Finance Perspective.*

The event was attended by over 350 participants. In addition to the local, regional and internationally recognized speakers, the composition of the participants included representation from the Caribbean as well as public and private sector organizations throughout Trinidad & Tobago.

Operational Updates

ICATT is currently working with Scotiabank to re-introduce e-payments using ICATT's website. The Institute has also established a separate web page for each CPD activity or event. Participants attending CPD events are now able to download all CPD content via the website.

In an effort to improve ICATT's organizational structure, the position of an Education and Training Officer was created. The core function of this officer is to develop, implement and manage the Institute's annual CPD Programme.

IFAC ANNOUNCES NEW BOARD MEMBERS, ADMITS NEW MEMBER ORGANIZATIONS AT ANNUAL COUNCIL MEETING

The International Federation of Accountants (IFAC), the global organization for the accountancy profession, announced its new Board members and new member bodies at its annual Council Meeting held in November 2013 in Seoul, South Korea.

Four members were elected to the IFAC Board: Gail McEvoy (Ireland), Michael Hathorn (United Kingdom), Sebastian Owuama (Nigeria), and Wienand Schruff (Germany). The IFAC Council also re-elected Ana Maria Elorrieta (Brazil) and Robert Harris (United States). In addition to enhancing the diversity of the IFAC Board—in terms of gender, geography, and professional experience—these Board members contribute skills and expertise that will help IFAC move forward in its areas of strategic focus.

IFAC also admitted the Institute of Management Accountants as a member. In addition, three existing associates were admitted to the organization as members:

- Cayman Islands Society of Professional Accountants
- Institute of Certified Auditors of the Republic of Macedonia
- Ordre National des Experts Comptables et Comptables Agréés du Sénégal

Five new associates were admitted to the organization:

- Association of Accountants of the Republic of Latvia
- Chamber of Auditors of Uzbekistan
- Colegio de Contadores Públicos y Auditores de Guatemala
- Moscow Audit Chamber
- Palestinian Association of Certified Public Accountants

The Association of Corporate Treasurers became an IFAC affiliate. For a full listing of IFAC members, see the membership section of IFAC's website.

IFAC COUNCIL SEMINAR DISCUSSES THE FINANCIAL REPORTING SUPPLY CHAIN

The International Federation of Accountants (IFAC) held its 36th Council Meeting in Seoul, South Korea, in November. As part of the meeting, IFAC held its annual seminar, *Strengthening the Links of the Financial Reporting Supply Chain*.

The seminar focused on the elements necessary to support high-quality financial reporting, including the drivers of audit quality, and the importance of oversight and regulation.

“Financial reporting and analysis are the foundations of economic development and efficient capital markets. They contribute to the integrity, accountability, and sustainability of our global economy,” said IFAC CEO Fayez Choudhury. “This year’s seminar looked at certain components of the financial reporting supply chain, how they can each be strengthened, and how the links and interactions between them can also be strengthened. This is essential for economic and social progress.”

The seminar featured high-profile speakers, including Albert Au, Chair, BDO Limited and SMP Committee member; Kenneth Chatelain, Partner, PwC Public Policy & Regulatory Affairs; Robert Dohrer, Global Leader, Quality & Risk, RSM International Limited; In-Ki Joo, Professor of Accounting, Yonsei University; Olivia Kirtley, Deputy President, IFAC; David Maxwell, Partner, Grant Thornton; Hwi Joon Park, former Vice President, Woori Investment & Securities; Tong-Wook Shim, Senior Vice President and Head of Finance, POSCO; Janine van Diggelen, Vice Chair, International Forum of Independent Audit Regulators; Kenneth Yap, CEO, Singapore Accounting and Corporate Regulatory Authority; Jae-hoon Yoo, Standing Commissioner of the Securities and Futures Commission under the auspice of the Financial Services Commission; and Kyung-Sik Yoon, Head of the Audit Quality Control Supervisory Service, KICPA. Warren Allen, IFAC President, Arnold Schilder, IAASB Chairman, and Lee White, CEO, Institute of Chartered Accountants Australia, moderated the sessions.

IFAC WELCOMES THE RELEASE OF THE INTEGRATED REPORTING FRAMEWORK

The Framework is an opportunity for organizations to improve the quality of information provided about governance, strategy, prospects, and performance that reflects the commercial, social, and environmental contexts within which they operate. It enables them to engage with investors and others and focus on value creation over time. Ultimately, it will contribute to a more financially stable global economy and is a force for sustainability.

It will bring cohesion, technical rigor, and efficiency to a process that has grown organically and through market pressure over the last three years. Organizations that are able to adopt “integrated thinking” will benefit by breaking down internal silos and reducing duplication. Finance and accounting leaders need to act as change agents in their organizations and facilitate integrated thinking across the organization so that integrated reporting can be successful. These leaders have a crucial role in putting their organizations on a path of sustainable performance.

As a co-founder of the IIRC, IFAC has played a central role in the development of the IIRC and the Integrated Reporting Framework. IFAC President Warren Allen serves on the IIRC and former IFAC CEO Ian Ball is continuing his role as Working Group chair on IFAC's behalf. IFAC has also provided staff support to the development of the IR Framework.

IFAC encourages its member bodies and other stakeholders to communicate about the Integrated Reporting Framework and to get involved in its next stages.

IFAC RELEASES NEW GUIDE ON REVIEW ENGAGEMENTS

On December 10, 2013, IFAC released the *Guide to Review Engagements*. The guide, developed in conjunction with CPA Canada, aims to help professional accountants in practice, especially those operating in small and medium-sized practices

(SMPs), in conducting review engagements in compliance with International Standard on Review Engagements (ISRE) 2400 (Revised), effective for periods ending on or after December 31.

“Many small and medium-sized entities (SMEs) around the world are not required, or do not elect, to have an audit. They may, however, wish to enhance the credibility of, and confidence in, their unaudited financial statements by having some degree of independent assurance on them,” said SMP Committee Chair Giancarlo Attolini. “A review engagement, which offers limited assurance, may be the ideal solution. The guide can help practitioners prepare themselves to meet the potentially increasing demand in this area.”

To help practitioners develop a deeper understanding of ISRE 2400 (Revised), the guide includes illustrative examples alongside relevant extracts from the standard. It also includes practical points for practitioners’ consideration and tips on how to efficiently implement the standard. Checklists and forms that can be adapted to meet the particular requirements and circumstances of individual review engagements and jurisdictions are also included.

To assist IFAC member organizations, the SMP Committee has also updated its Companion Manual, a supplementary user guide to help organizations understand the various ways they can use, translate, and adapt the committee’s implementation guides.

To download the guide, visit SMP Publications & Resources at <https://www.ifac.org/about-ifac/small-and-medium-practices-committee/publications-resources?publication-type=20&source=37&issues=&language=87&x=35&y=1&sort=date>.

IPSASB PUBLISHES EXPOSURE DRAFT ON FIRST-TIME ADOPTION OF ACCRUAL BASIS IPSASS

The International Public Sector Accounting Standards Board (IPSASB) has published an Exposure Draft (ED 53), *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards*. This proposed standard, which is applicable to entities that present accrual basis financial statements during the process of adopting and implementing International Public Sector Accounting Standards (IPSASs), provides exemptions during the transition period.

Specifically, ED 53 allows a first-time adopter three years to recognize certain assets and liabilities. This transition period acknowledges that entities may not have comprehensive information about the existence of assets and liabilities, and that considerable effort may be required to identify, measure, and classify assets and liabilities in accordance with IPSASs. ED 53 also allows a first-time adopter to determine a surrogate for acquisition cost or depreciated cost of an asset when reliable information about the historical cost of an asset is not available.

ED 53 encourages, but does not require, entities to provide comparative information in their transitional IPSAS financial statements or their first IPSAS financial statements. Where comparative information is presented, ED 53 states that the comparative information should be adjusted retrospectively to the extent that information is available. Where an entity elects not to present comparative information, ED 53 specifies those financial statements that an entity’s transitional IPSAS financial

statements must, at a minimum, include.

The ED states that a reconciliation should be presented in the notes to an entity’s transitional IPSAS financial statements or first IPSAS financial statements. A reconciliation is not required where the entity previously applied the cash basis of accounting. A reconciliation is important for users to understand the relationship between information presented under the previous basis of accounting and the IPSAS information.

ED 53 identifies those transitional exemptions that impact fair presentation and an entity’s ability to assert compliance with accrual basis IPSASs, and separates them from those that do not. The transitional exemptions in ED 53 will replace many of the existing transitional provisions contained in IPSASs. Future IPSASs will only prescribe transitional provisions to address changes to a standard where entities already apply that standard.

To access the ED and the At-a-Glance document, which provides a summary of the ED, or to submit a comment, please visit the IPSASB website at www.ipsasb.org. Comments on the ED are requested by **February 15, 2014**. The IPSASB encourages IFAC members, associates, and regional accountancy bodies to promote the availability of these EDs to their members and employees.

IAASB ENHANCES STANDARD FOR ASSURANCE ENGAGEMENTS

In today’s global economy, there is strong public interest in high quality, relevant assurance on information beyond the audit or review of financial statements. Recognizing this, the International Auditing and Assurance Standards Board (IAASB) has released an updated and enhanced International Standard on Assurance Engagements (ISAE), titled ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, which addresses a broad range of assurance engagements.

“The importance of relevant and consistent high quality engagements for assurance services cannot be understated. Preparers and users alike already look to the accountancy profession to provide assurance services on an expansive range of information, and this is anticipated to continue to grow. ISAE 3000 (Revised) provides the platform for practitioners to provide such services, and to develop new assurance services over many different subject matters, while enhancing the quality of such engagements,” noted Prof. Arnold Schilder, IAASB Chairman.

ISAE 3000 (Revised) covers a wide variety of engagements, ranging from assurance on statements about the effectiveness of internal control, for example, to assurance on sustainability reports and possible future engagements addressing integrated reporting. The standard covers both reasonable and limited assurance engagements, and introduces guidance designed to help readers better understand these two levels of assurance.

Accompanying the release of ISAE 3000 (Revised) are conforming amendments to the *International Framework for Assurance Engagements*; ISAE 3402, *Assurance Reports on Controls at a Service Organization*; ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*; and ISAE 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*.

IFAC ISSUES POLICY POSITION PAPER ON ENHANCING ORGANIZATIONAL REPORTING

The International Federation of Accountants (IFAC) recently issued Policy Position Paper 8, *Enhancing Organizational Reporting*. This policy focuses extensively on the importance and usefulness of reporting broad-based information beyond that which is provided in traditional financial reporting.

Enhanced organizational reporting, according to the policy, provides a more complete view of an organization's position, performance, and longer term potential and sustainability, and is in the public interest. It provides important information for both internal and external stakeholders to support managing and directing operations, decision making, promoting transparency, and the discharge of accountability.

The accountancy profession has a history of involvement in developing and improving reporting processes and controls, and identifying and reporting key financial and other information. IFAC believes that the accountancy profession has a key role to play in enhancing organizational reporting.

PROF. ARNOLD SCHILDER REAPPOINTED TO CHAIR THE INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

Prof. Arnold Schilder has been reappointed as chairman of the International Auditing and Assurance Standards Board (IAASB) for the period 2015–2017. As chairman, Prof. Schilder will continue to lead the IAASB as it works to set high-quality international auditing, assurance, and related services standards. Since his appointment in 2009, he has played a key role in guiding the IAASB as it strives to enhance the quality and consistency of practice throughout the world. With 90 global jurisdictions already using or in the process of adopting or incorporating International Standards on Auditing (ISAs), his leadership will be critical in expanding this broadly based acceptance more widely. Additionally, he will steer the board into the future as it works to enhance public confidence in financial reporting. Part of this agenda includes the IAASB's leading edge proposals for significant changes to the content of the auditor's report and considering the results of the implementation reviews of the ISAs. Also, the IAASB will closely monitor new developments, such as integrated reporting, and their implications for assurance and related

services standards.

Prof. Schilder's appointment to a third three-year term as IAASB chairman begins on January 1, 2015. The Public Interest Oversight Board (PIOB) approved the appointment at its last meeting in Madrid, Spain.

LINDA DE BEER REAPPOINTED CHAIR OF THE IAASB CONSULTATIVE ADVISORY GROUP

Professor Linda de Beer has been approved as the chair of the Consultative Advisory Group (CAG) to the International Auditing and Assurance Standards Board (IAASB) by the Public Interest Oversight Board (PIOB) on the recommendation of the members of the IAASB CAG. The approval of Professor de Beer extends her leadership, the first term of which commenced on October 1, 2010, for an additional 18-month period that will end on March 31, 2015.

The IAASB CAG is an independent body of 32 key stakeholders of the IAASB—including regulators, preparers, international investor and user groups, and others with an interest in international auditing and assurance—that provides strategic and technical advice in the public interest to the IAASB. The chair of the CAG plays a key role to ensure that the views of the CAG are heard and considered in the IAASB's deliberations. The IAASB is an independent standard-setting board that establishes International Standards on Auditing (ISAs) and other pronouncements for use by professional accountants around the world. The PIOB oversees the activities of the IAASB and of the CAG.

Professor de Beer, who, before her election as chair represented the World Federation of Exchanges on the CAG, is an independent director on a number of listed company boards in South Africa and an advisor on reporting and corporate governance matters, inter alia, the Johannesburg Stock Exchange (JSE). She is also a visiting professor in Audit and Accounting at the University of the Witwatersrand in Johannesburg, and a member of the King Committee on Corporate Governance and a number of South African standard-setting structures. She was also recently appointed as chairman of the Financial Reporting Investigations Panel.

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- take “options” on key resources in each scenario.
- **War Gaming.** Encourage your executive staff and other key employees to think out of the box. Divide into teams representing your company and your top competitors. Meeting separately, the competitive teams devise schemes to defeat your company while the company team determines ways to protect and defend your current position and weaken the competitors.

positioned to lead strategic risk assessment and provides some ideas to get started. I challenge you to accept the responsibility of assessing and managing strategic risks in order to both protect your company from unexpected events as well as to enhance your own position. We have the innate skills; you now have some of the tools. Go for it!

Dan Chenoweth, MBA, CPA is a seminar discussion leader for Executive Education, Inc

This article explains why financial managers are best



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