



## President's Message



Mr. L. Garth Kiddoe  
President ICAC

As I approach the first anniversary of my Presidency, I want to thank members, directors and affiliates who have contributed to the development of the Institute of Chartered Accountants of the Caribbean over the years. This year, ICAC will celebrate eighteen (18) years of existence.

Highlighted below are its main achievements over the years:-

- The harmonization of accounting and auditing standards across the region
- The harmonization of accountancy qualifications in the region
- The harmonization of Continuing Professional Education (CPE) policies
- Adoption of recommendations to strengthen the Acts/By-laws/Rules and Regulations governing the profession in member countries in order to facilitate regional practice monitoring
- Expanded networking and representation in the region

During the past year we have also witnessed the implementation of the Caribbean Single Market which came into effect on January 1, 2006 with the full Caribbean Single Market and Economy scheduled for implementation in 2008. The first signatories to the agreement were Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago. This will eventually see the free movement of skilled professionals through the region thus giving Caribbean chartered accountants among others, a greater market space to practice. In keeping with these developments ICAC will be seeking to formulate closer relations with CARICOM which will also help to advance the strategic objectives of this noble institute. It is envisioned that this collaboration will assist with the development of an accreditation regime for Caribbean accountants and finance professionals to facilitate the movement of skills in those respective areas.

At our January 2006 Board of Directors meeting, ICAC welcomed the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) into our membership cadre. The ICAEC group currently consists of seven (7) Eastern Caribbean Island groupings - namely Antigua and Barbuda, Commonwealth of Dominica, Grenada, Montserrat, St Kitts and Nevis, St Vincent and the Grenadines and St Lucia. The ICAEC was established in June 2004, as the supervisory and regulatory body for the accounting profession for members of the Organisation of Eastern Caribbean States (OECS). It will provide for increased consistency in the organization of the accounting profession and will seek to enforce high standards of professional practice in the region.

The establishment of this new membership relationship with ICAEC is in keeping with ICAC's mandate of promoting and developing the accountancy profession in the region. ICAC is proud to be the established umbrella institution representing approximately 2631 accountants in fourteen (14) Caribbean islands.

The Institute recently applied to the International Federation of Accountants (IFAC) for acknowledged Regional Grouping status. IFAC is the global organization for the accountancy profession. It works with its 163 member organizations in 120 countries to protect the public interest by encouraging high quality practices by the world's accountants. Acknowledged Regional Groupings support the objectives and pronouncements of IFAC and support the advancement of the accountancy profession in their region.

ICAC has also been approached to facilitate a meeting of IFAC's Developing Nations Committee (DNC) Board in conjunction with the 24th Annual Conference of Accountants in Barbados in June 8- 10 2006. The DNC represents the interests of developing nations and seeks resources and development assistance from member bodies and other organizations on their behalf.

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The Developing Nations Committee has the following key responsibilities:

- Work with standard-setting boards to ensure they are aware of, and give due consideration to, the issues relevant to the profession in developing nations;
- Monitor the work of other IFAC boards and committees and provide input and support where appropriate;
- Work with the IFAC Member Body Compliance Program to respond to the needs of developing nations, including accessing resources within the IFAC membership and donor agencies; and
- Perform an advocacy role as appropriate.

As of April 24, 2006, the ICAC representative on the Board of Trustees of the Caribbean Court of Justice Trust Fund will be the current President. The CCJ Board of Trustees was established on August 22, 2003 and operates within the framework of Investment Guidelines and Financial Regulations approved by the CARICOM heads. It has established two standing Board Committees, the Audit Committee, which is currently chaired by ICAC's immediate Past President, Mr. Elson Jordan, and the Finance & Investment Committee, which facilitates efficient discharge of CCJ's responsibilities.

ICAC held its most recent Board of Directors Meeting in Barbados on January 28, 2006, which saw a great turnout from directors. We were afforded the privilege of having the President, Mr. Pierre Barnes, and Executive Director, Mr. Victor Abreu, of the Interamerican Accounting Association at the meeting. They gave a brief presentation on the purpose, goals and objectives of their institute.

The Board of Directors was cordially invited by Mr. Pierre Barnes to the Summit of the Americas, which will be hosted by IAA in October 2006. Additionally, Mr. Barnes invited us to consider attending IFAC's seventeenth (17) World Congress of Accountants in Istanbul on November 13-16, 2006.

The World Congress of Accountants is the Olympics of the Accountants throughout the world and was last held in Hong Kong on November 18-21, 2002. That Congress was attended by the then President, Mr. Joel Edwards.

The planning of the 24th Caribbean Conference of Accountants in Barbados is now in high gear and I look forward to meeting you all there!

I take this opportunity to thank the members of ICAC as well as their constituent individual members, for their continued contribution to the advancement of the institute in keeping with its vision:

*ICAC is the internationally recognised body for the accountancy profession in the Caribbean, with an expanding influence in the region. It regulates the profession and promotes the highest standards of professional and ethical conduct. Through thought leadership and the provision of research, CPD and other services, it adds value to its members and the wider community."*

## QUOTE

When we give ourselves something to look forward to, no matter how great or small the event, we are giving ourselves the gift of hope. And where there's hope built into tomorrow, there are all kinds of possibilities for overcoming whatever obstacle we face today.

- Ruth Senter

## BOARD OF DIRECTORS' BRIEF:

- At the ICAC's forty-fourth (44th) Board of Directors Meeting held in Barbados on January 26, 2006, the following individuals were formally appointed as Directors and Alternate Directors:

Director - The Bahamas Institute of Chartered Accountants - Mr. Kendrick Christie  
Alternate Director - The Bahamas Institute of Chartered Accountants - Mr. L. Sydney Saunders  
Alternate Director - The Institute of Chartered Accountants of Jamaica - Mr. Leighton McKnight  
Alternate Director - The Institute of Chartered Accountants of St. Lucia - Ms. Earlene Huntley.

The Institute of Chartered Accountants of the Caribbean wishes to congratulate the recently appointed individuals and looks forward to their contribution in ensuring the viability of the Institute.

- The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) has been granted membership status by ICAC. The incorporation of the ICAEC resulted in the dissolution of three existing member institutes - namely:

The Institute of Chartered Accountants of St Lucia  
The Association of Chartered Accountants of St. Kitts & Nevis  
The Institute of Chartered Accountants of Antigua & Barbuda.

- The President of the Inter-American Association of Accountants (IAA), Mr. Pierre Barnes, made a presentation to the ICAC Board on it's the Association's mission, objectives, and other information relating to that organisation. ICAC was extended an invitation to attend the Summit of the Americas being hosted by them in October 2006. IAA is the recognised regulatory accountancy body for North and South America with 35 member associations in 23 countries representing many English, French, Portuguese and Spanish speaking accounting professionals.

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# BOARD OF DIRECTORS' BRIEF:

At the end of the presentation, ICAC President, Mr. Garth Kiddoe, presented the IAA president, Mr Pierre Barnes, with a token of appreciation for his attendance and presentation at the meeting.



Mr. Garth Kiddoe, ICAC President, (left) making a presentation to Mr. Pierre Barnes, Head of the IAA (right).



*SAY CHEESE!!!!!!!!!!*



**The ICAC Board of Directors (including invitees): L-R- Standing;** Michael Sleigh (ACCA Representative), Frank Myers, Cheryl Gardner, Brian Robinson, Donald Thompson, Leighton McKnight, Roy Pandey, Betty Brathwaite, Anthony Atkinson, Erwin Southwell, Victor Abreu (CEO IAA).

**Seated L-R;** Harryram Parmesar, Garth Kiddoe, Angela Lee-Loy, Pierre Barnes (President, IAA), Lyle Handfield (CGA representative).

## CONFERENCE 2006

The Institute issued and circulated a press release in February 2006 under the caption: **ICAC Confirms Barbados as Venue for 2006 Conference.**

Based on the overwhelming request for the inclusion of an International Financial Reporting Standards (IFRS) topic, the Conference committee has included the topic 'IFRS for Small and Medium Sized Entities (SME's)'. This will be a concurrent session on the morning of June 9.

The three-day conference promises to deliver timely and relevant presentations from accounting professionals from recognised international and local accountancy bodies. Barbados' Prime Minister, Mr. Owen Arthur, will be giving the keynote address followed by IFAC president, Mr. Graham Ward, who will be presenting on 'A New Era for the Profession' as well as 'Monitoring'. The topic of 'Monitoring' will be presented in the form of a panel discussion. The panel includes, Allen Blewitt -CEO of ACCA; Tony Ariganello-CGA President; Garth Kiddoe – ICAC President; and Michael Edghill – ICAB Council Member; Mr. David Ellis, Broadcasting Manager - will act as moderator.

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# CONFERENCE 2006

Other topics being covered are:

- Finding the Strengths in Life- Barry Eligon, Aeigis Management Solutions Ltd.
- Concurrent sessions are:-
  - Harmonizing our currencies
  - Media and information management
  - Is the bottom line the best measure for performance?
- Business & professional ethics – Restoring the cutting edge  
Dennis Yeates, ACCA

- Building a Caribbean investment culture

Additional information regarding fees and accommodations can be obtained from your local accounting institutes, the ICAC Secretariat and the following websites:

[www.icab.bb](http://www.icab.bb)  
[www.icaj.org](http://www.icaj.org)  
[www.icac.org.jm](http://www.icac.org.jm)

## BENEFITS OF ICAC MEMBERSHIP

The Institute of Chartered Accountants of the Caribbean (ICAC) is a body comprising accounting Institutes within the Caribbean region. The current membership of ICAC includes:

- The Institute of Chartered Accountants of Jamaica
- The Institute of Chartered Accountants of Trinidad and Tobago
- The Institute of Chartered Accountants of Barbados
- The Bahamas Institute of Chartered Accountants
- The Institute of Chartered Accountants of Belize
- The Institute of Chartered Accountants of Guyana
- The Institute of Chartered Accountants of the Eastern Caribbean

*ICAC membership includes the following benefits:*

- The opportunity to serve on the various Regional Committees of the ICAC, thereby having an input in the operation and development of the regional accountancy profession

- The opportunity to provide leadership on emerging issues as they affect the accountancy profession in the region.
- Advantage of Caricom mobility under the protocol II arrangement, which provides for the free movement of personnel throughout the Caribbean community.
- Preferential rates for the ICAC annual Caribbean Conference of Accountants as well as seminars held jointly with territorial institutes or affiliates (Association of Chartered Certified Accountants; Certified General Accountants Association of Canada; Institute of Chartered Accountants in England and Wales).

A benefit of a regional Practice Monitoring Programme being implemented by ICAC includes enhancing the regulatory capacity of the profession in the region.

## CONGRATULATIONS

This goes out to Mr. Erwin Southwell, Alternate Director of Antigua and Barbuda who got married on February 23, 2006 to Miss Melissa Thomas.

*'Accept the things to which fate binds you, and love the people with whom fate brings you together, but do so with all your heart'.*

*-Marcus Aurelius*

May you enjoy all the happiness and pleasures which marriage has to offer.

ARTICLE BY DEXTER DANIEL  
**THE CHANGING FACE OF ACCOUNTING EDUCATION**



**Dexter K. Daniel - CFE, FFA, FCCA, CA**  
 Member of Council  
 Institute of Chartered Accountants of  
 Trinidad & Tobago

Globalisation is increasingly influencing financial markets. In an age of increasing global trade and global production a greater need has emerged for integrated capital markets worldwide. Integrated capital markets resulted in arrangements made for standardising accounting and auditing practices. Internationalisation of accounting and auditing standards is heavily influencing accounting education, yielding a prevailing need for global accounting education. International organizations like United Nations Trade and Development Conference (UNCTAD), International Federation of Accountants (IFAC) and International Association for Accounting Education and Research (IAAER) have met that need by developing guidelines, standards and codes that directly affect accounting education.

In any country an accounting system continuously develops under the influence of factors such as cultural and legal structure, tax codes, and relationships between business and capital owners as well as economics environment. Often stirring this melting pot is the respective political structures within respective environments. The ensuing result is often divergent accounting applications and principles. With the development of international financial markets and firms that seek capital in these markets a need for minimising differences in accounting applications has emerged.

Accounting harmonisation has been on the agenda since the 1970s. As a result of harmonisation efforts, international accounting and auditing standards have been developed which have a significant influence on accountancy education. Several international organisations have developed education standards and guidelines for standardising accounting education; one such guideline shaping global education is made by IFAC's Education Committee (EDCOM), which has published International Accounting Education Standards (IFAC: 2003). These standards were applicable from last year (2005). The purpose of these standards is to encourage high quality of professional accountants' performance around the world.

I would remind readers that IFAC comprises 159 professional bodies in 118 countries; ICAC has recently applied to this body to be acknowledged as a regional grouping organisation representing the English speaking Caribbean. ICAC's members who are members of IFAC are:

- Institute of Chartered Accountants of Jamaica
- Institute of Chartered Accountants of Trinidad and Tobago
- Institute of Chartered Accountants of Bahamas
- Institute of Chartered Accountants of Barbados
- Institute of Chartered Accountants of Guyana

**GLOBALISATION AND ACCOUNTING EDUCATION**

Globalisation is not a new phenomenon. According to Altbach (2004) *globalisation is the broad economic, technological and scientific trends that directly affect higher education and are largely inevitable.* Politics and culture are also part of the new global realities. Altbach further states that academic systems and institutions may accommodate these developments in different ways, but they cannot ignore them. These include information technology in its various forms, the use of common language for scientific communication and the imperatives of both mass demand for higher education and societal needs for highly educated personnel.

Globalisation is clearly a growing influence in financial markets. The need for global accounting education is accelerated by developments of financial markets and dismantling of barriers to trade – CSME included. These in turn push for greater harmonisation of accounting standards. In particular, there are unquestionably three main catalysts for global accounting education: (1) accounting harmonisation efforts; (2) accreditation standards; (3) requirements of reciprocity.

*Accounting Harmonisation* is a process of minimising rather than eliminating international differences in accounting standards, applications and professional qualification programs. Harmonisation efforts aim to provide comparable and understandable financial information so that investors can take more rational decisions which in turn results in more efficient capital markets which enable companies on any stock market in the world to use a single set of financial statements. There are various organisations which shape financial reporting practices of capital markets (Lakshman and Reid: 2002).

Table 1: International Guidelines, Standards and Codes Shaping Financial Reporting.

GUIDELINE, STANDARD OR CODE	PROMULGATED BY
Principles of Corporate Governance	Organization for Economic Cooperation and Development (OECD)
Code of Best Practices on Fiscal Transparency	International Monetary Fund (IMF)
Code of Good Practices on Transparency of Monetary and Financial Policies	International Monetary Fund (IMF)
Implementation of the Objectives and Principles of Securities Regulation assessment surveys	International Organization for Securities Commissions
International Accounting Standards	International Accounting Standards Board
International Standards on Auditing	International Auditing and Assurance Standards Board
Banking Supervision Guidelines	Basel Committee on Banking Supervision (BCSB) of the Bank for International Settlements

Source (Adapted from): Lakshman, A.S. and Reid, B. (2002):  
 Diognastic Study of Accounting and Auditing Practices in Selecte Developing Countries

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These organisations are generally agreed upon harmonised accounting standards. Realising the problems associated with accounting diversity, IOSCO endorsed the IAS issued by IASB as the global standards for cross-border listings. The EU countries accept IAS/IFRS as a directive accepted by the EU required member countries to be in compliance with the IAS for publicly held companies from 2005 (EU: 2002). This movement has encouraged a strong stimulus for internationalising accounting education in Europe. As a result of these developments need for professionals who can apply IAS/IFRS has emerged throughout the world (Al-Hashim and Weiss: 2004). In fact, since 1990s accounting educators and professional bodies have made calls for internationalising the accounting curriculum (IFAC:1994, AASCB: 1993, UNCTAD:1993, UNCTAD:1999).

According to the discussion paper of IFAC (1994) there is a need for developing accounting courses that focus on basic concepts and standards and their application in real world environments, and the relevant international and ethical issues. Learning involves developing skills, knowledge and professional orientation that help students learn more effectively, and to use these learning strategies to continue to learn throughout their lifetime as new knowledge and skills are required. The need for international dimensions in accounting education and practice is recognized by the AICPA as well. According to the AICPA *international aspects of accounting should be addressed throughout the accounting portion of the curriculum.*

*Accounting accreditation* seeks to improve accounting education in order to prepare students to serve the needs of the society that are met by the discipline and profession of accounting. To achieve accreditation a well-defined mission must guide accounting programs. Global accounting education requires integration of international accounting issues to be included in the accounting curriculum. In responding to this global demand for accounting education, ICAC has refocused its education thrust and the Board has recently approved the Agreement to implement an E-learning programme for our members and students in the Caribbean.

Requirement of reciprocity is the other factor accelerating globalisation in accounting education. Reciprocity is a term commonly used by professional and occupational licensing bodies in many countries, meaning mutual recognition (Gupta: 1992). Two independent bodies guarantee each other's members certain commercial and professional privileges. Mutual recognition of accountancy qualifications is ruled by the GATS (General Agreement for Trade and Services), by IFAC and regional directives and by agreements among countries. One of the most important issues for accountancy profession is the dismantling of trade barriers for services through agreements regulated by regional and international agreements as NAFTA (The North American Free Trade Agreement) and GATS and closer to home, CSME (CARICOM Single Market Economy). Free movement of the professionals depends largely on bilateral or multilateral agreements for reciprocity between countries.

The GATS is an international trade agreement that came into effect in 1995 and operates under the umbrella of WTO (World Trade Organisation). Procedures for mutual recognition are determined by the GATS. The GATS requires that all countries have procedures to verify qualifications of professionals from other countries. Rules set out by GATS are meant to ensure the same privileges for foreign providers and domestic counterparts, to remove discriminatory obstacles and to provide transparency. However, there is a considerable international diversity in accountants' educational backgrounds that can be resolved through global accounting education. This continues to be a regional bugbear in the Caribbean and although there has been progress, these efforts have been repeatedly stymied by various environmental factors not least of which often include chronic myopia and mistrust of political and professional bodies.

## TERRITORIAL UPDATES

### The Institute of Chartered Accountants of Belize--ICAB

The Institute of Chartered Accountants of the Caribbean (ICAC) President, Mr. Garth Kiddoe, visited with ICAB's council on December 3, 2005 and apprised the council on the ICAC Strategic Planning Retreat. He requested that Belize assist with one of the strategic goals outlined below:

- To provide members and non-members with a single source of accurate and up-to-date information.
- To provide framework and direction to ensure a successful annual conference
- Increase membership of national institutes
- To operate an efficient Secretariat to ensure timely and cost effective services to stakeholders of the ICAC based on existing and planned activity levels
- To provide members and non-members with analyses & technical support of accounting & regulatory matters
- To develop and maintain a "state-of-the-art" website.
- To enhance the image of ICAC amongst stakeholders through the optimum utilization of the media
- To explore opportunities to offer distance Continuing Professional Education to members.

Attendees to the council meeting were, ICAB's President, Mr. Roy Pandy, Secretary, Claude Burrell, and the secretariat's, Mr. Donald Connors. Some members of Council were absent but sent their apologies.

Belize is now a signatory to the Caricom Single Market (CSM), which took effect in January 2006 and will consequently have to remove all restrictions on the transfer of professionals. Also, of course, Belizeans, as well as other Caricom nationals, will now be able to move throughout the region.

Accreditation Acts are being contemplated in Belize and are scheduled for discussion on March 30, 2006 with the tax advisor to the Government of Belize, Dr. Cal of the Ministry of Education and ICAB's Council.

### Committee and Appointments

ICA Belize held its AGM on Friday March 31, 2006, and the following members were elected to council.

President:	Mr. Roy Pandy
Vice-President:	Mr. Brett Feinstein
Secretary:	Mr. Claude Burrell
Treasurer:	Mr. Giacomo Sanchez

The Belize Institute has encouraged all its members to attend the 24th Conference of Accountants in Barbados to benefit from relevant discussions relating to IFRS and IAS's standards. Emphasis is being placed particularly on training and updating of accounting practices in Belize.

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## TERRITORIAL UPDATES

### The Institute of Chartered Accountants of Guyana- ICAG

A CPE joint-seminar on Resource Planning was held in January, which had a favourable turnout from Guyana's accounting professionals.

February saw the institute hosting its second CPE seminar, which had an exceptional turnout of 75 persons. It is very rare that the attendance level at seminars reaches this magnitude. The topic discussed was 'Corruption from an Auditor's Perspective', which primarily tackled cases and forms of corruption in the Accounting profession. The topic stimulated vibrant discussions and feedback indicating that all felt enriched for having attended this seminar.

The ICAG will be hosting its Annual General meeting on March 31, 2006. The new committee representatives selected will be responsible for outlining the year's activities.

### The Institute of Chartered Accountants of Trinidad and Tobago - T&T

The following consultancies will begin under the IDB project: Implementation and application of IFRSs, Enforcement of IFRSs and ISAs – under this consultancy a framework for compliance issues will be developed. The institute will embark on a Member's Needs Assessment, which is to be followed by a new Strategic Plan.

ICATT proposes to host a Tax Workshop in May. Our highlight for the year is Accountants' Week and this usually takes place in November. In addition to these events, ICATT plans to host a few training and development CPD courses during the year. ICATT will be focusing on improving our membership benefits and increasing our membership in 2006. We believe that the members are the reason for our existence and every effort will be made to improve the quality of membership service delivered to our members.

### INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA - ICAJ

#### ICAJ'S 41st ANNIVERSARY LUNCHEON

The Institute of Chartered accountants of Jamaica hosted its 41st Anniversary Luncheon on February 1 at the Holiday Inn Sunspree Resort, Montego Bay.

The 41st Anniversary Luncheon attracted a record number of 80 guests, which included the Custos of St. James, the Honourable Clarence Nelson, representatives from the Customs and Tax Administration Departments, ICAJ members and their clients as well as members of the Montego Bay business community.

Keynote speaker was Acting Director General of the Tax Administration, Directorate, Mrs. Vinette Keene.

In her address, Mrs. Keene underscored the commitment of the tax authorities to improving the tax administration system in Jamaica in order to make it comparable with first world countries like United States, Canada, the United Kingdom and some European countries. She urged members of the Accountancy profession to support the initiatives of the tax authorities to provide an effective tax administration system.

ICAJ President, Leighton McKnight, in his opening remarks, noted that as a profession, the ICAJ was committed to supporting the objectives of the tax administration. He encouraged ICAJ members to adhere to a professional code of ethics and in so doing, ensure that they are compliant with the requirements of the tax authorities.

#### ICAJ/IDB PROJECT UPDATE

The ICAJ/IDB Technical Project requires the establishment of a Train-the-Trainer Programme to train a cadre of trainers/presenters to sustain the Institute's CPE and outreach programmes. An invitation was issued for expressions of interest from ICAJ members who are willing to be trained as trainer/presenter. Selected persons will be given the opportunity to earn a diploma in International Financial Reporting, and will receive training in both technical and communication skills from expert trainers.

The response to the invitation for participants in a Train-the-Trainer programme has been outstanding.

In March 2006, workshops on revisions to IFRS were hosted under the Project, as follows:

- March 15, 2006 – Asset Accounting, Liability and Revenue Recognition
- March 22, 2006 – Presentation and Disclosure Standards & Share-based Payment
- March 28, 2006 – Financial Instruments

Projected plans for the quarter ending June 30, 2006, include two (2) industry outreach fora, one in Mandeville and the other at the University of the West Indies.

In addition, plans are well-advanced towards procuring consultants in order to carry out core activities including the development of practice guides and illustrations for IFRS. It is anticipated that execution of these activities will commence by the end of the year.

#### UNCTAD TO USE JAMAICA AS CASE STUDY ON IFRS IMPLEMENTATION

United Nations Conference on Trade And Development (UNCTAD), based in Geneva, has undertaken a project of study of practical implementation issues of International Financial Reporting Standards (IFRS).

This is against the background that, increasingly, enterprises and countries around the world are adopting IFRS as their basis for financial reporting. However, a number of countries have been experiencing challenges in converting to IFRS. Some of the challenges include institutional and technical issues and enforcement mechanisms.

The study on IFRS implementation issues is being undertaken by UNCTAD's Inter-governmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), which was established by the Economic and Social Council of the United Nations in 1982.

The team has selected Jamaica as one of five countries to participate in its case studies. The case studies will be presented at the 23rd session of ISAR scheduled to take place in Geneva, October 10-12, 2006.

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## TERRITORIAL UPDATES

The ICAJ is pleased to have been selected by this august body and is happy for the opportunity to share our experiences through this study.

### INTERIM STANDARDS FOR SMALL COMPANIES

The Institute of Chartered Accountants of Jamaica (ICAJ) has adopted twenty-five standards as Interim Standards for Small Companies, to be used by qualifying small companies that elect exemption from applying IFRS under the Companies Act. These standards comprise selected International Financial Reporting Standards (IFRS) that the ICAJ considers applicable to all types of business, regardless of size and, therefore, should be used as the basis for preparing financial statements for qualifying small entities.

Details of the twenty-five standards can be accessed from the ICAJ website at [www.ica-j.org](http://www.ica-j.org). Qualifying small companies may apply these standards for financial reporting periods beginning on, or after, January 1, 2006.

### CONTINUING PROFESSIONAL EDUCATION SEMINARS

- A seminar entitled, **CSME Implications: Are We Ready?** was held on Saturday, January 21. The topics addressed at the seminar included CSME: Implications for Labour, CSME: Trade Implications, CSME: Tax Implications.
- A two-day workshop on Revisions to International Financial Reporting Standards was held on February 17 & 18. The workshop provided over 400 professionals from industry, commerce, finance, business, and insurance sectors with practical guidance on the revised standards and their requirements for local companies.
- A Taxation Seminar, entitled, **"What's in the Budget for You: A Taxation Focus"**, was held on Saturday, April 29, 2006 at the Knutsford Court Hotel. Presenters included **Mr Desmond Batchelor, Acting Commissioner, Taxpayer Audit and Assessment; Ethlyn Norton-Coke**, Tax Principal, Deloitte & Touche; Mr Oronde Small, Economist & Research Officer, Ministry of Finance & Planning; **Brian Denning**, Tax Partner, PricewaterhouseCoopers; and Theodore Mitchell, Economist-Airport Authority of Jamaica. Topics addressed included: New Initiatives in Tax Administration, Tax Policy- Incentives and Disincentives to Investment, Tax Implications of the Budget. There was also an update on Compliance, Refund, Penalties & the Appeals Process.

### ICAJ HOSTS PUBLIC FORUM ON STRATEGIZING FOR NATIONAL DEVELOPMENT

The Institute of Chartered Accountants of Jamaica (ICAJ) hosted a public forum entitled, **Strategizing for National Development - Let's Get Serious**, on Wednesday, April 12, 2006 at the Knutsford Court Hotel. The forum was in keeping with ICAJ's efforts to increase the contribution of members of the Accountancy profession to the debate on issues of national importance.

The forum facilitated far-reaching discussions on factors impeding national development and economic growth. The forum discussions were also aimed at generating recommendations to promote economic growth as well as strategies that will enhance national development policies.

Discussions were led by presenters representing a wide cross-section of views drawn from the private and public sectors and included:

- Professor Barry Chevannes, Research Fellow, Mona School of Business
- Dr. Ralph Thompson, Member, National Council on Education & Early Childhood Commission
- Mr. Wayne Chen, Chief Executive Officer, SuperPlus Food Stores

Keynote speaker was the **Most Honourable Edward Seaga, ON, PC**, former Prime Minister of Jamaica and Distinguished Fellow, University of the West Indies, Mona.

### ICAJ'S MEMBERS LYME

*'The Institute of Chartered Accountants of Jamaica (ICAJ) hosted a Members' Lyme under the theme "Lyme & Spin- after work party" on Friday, May 5, 2006 at the ICAJ Secretariat. The Lyme attracted approximately 100 members and associates.*

*The main highlight of the event was ICAJ members, led by President, Mr. Leighton McKnight, spinning their favorite music from different eras. Guest DJ's included local Radio Broadcaster, Fae Ellington, and Jamaican-bom West Indies cricketer, Ambassador, Courtney Walsh. Local dance group, Shady Squad, also provided entertainment.'*

### Upcoming Events

**July 26, 2006** - 41st Annual General Meeting (Jamaica Pegasus Hotel)  
**August 30, 2006** - CAT Graduation Luncheon (Knutsford Court Hotel)

## ICAC Welcomes The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) into Membership.



*The Institute of Chartered Accountants of the Caribbean extends its heartiest welcome to The Institute of Chartered Accountants of the Eastern Caribbean whose application for membership was approved at our 44th Board of Directors meeting on January 28, 2006.*

The formation of ICAEC is an initiative of the Eastern Caribbean Central Bank (ECCB) as a means of supervising and regulating the accounting profession in the Eastern Caribbean Currency Union (ECCU). The Organization of Eastern Caribbean States (OECS) comprises St. Lucia, Antigua & Barbuda, St. Kitts- Nevis, St. Vincent & Grenadines, Grenada, Dominica, Anguilla and Montserrat. The institutes in St. Lucia, Antigua & Barbuda, and St. Kitts- Nevis will now function as branches of ICAEC whereas the ICAEC continues to encourage the formation of branches in the other islands.

At the inaugural meeting of the ICAEC, at the headquarters of the Eastern Caribbean Central Bank, held on Friday, October 29, 2004 an interim council was selected, the members are:

- Mr. Anthony Atkinson of St Lucia – President
- Mr. Erwin Southwell of Antigua and Barbuda - Vice President.
- Mrs. Marcella Lanns-Monish of St Kitts and Nevis - Treasurer
- Mr. Frank Myers of St Lucia - Secretary.
- Mr. James Simpson - ECCB's Representative
- Mr. Cleveland Seaforth - Antigua Representative

It is the intention of The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) to have its Annual General Meeting (AGM) to coincide with the ICAC annual conference to be held in Barbados in June 2006.

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At this time election, will be held for a new council to consist of eleven members: one from each island; St. Vincent, Grenada, Dominica, Anguilla, Montserrat, St. Lucia, Antigua, and St. Kitts (eight); one from ECCB; and two to be appointed by the President.

Having now been admitted to ICAC, the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) pledges to work in harmony with ICAC toward the development of professional regulation and services to members in the OECS region.

## WHAT IS WORK ETHIC AND HOW DO WE FIND IT?



By Nicole Blanc  
HR Manager, Aegis Business  
Solutions Limited

Recruiters are often asked about what has happened to Work Ethic in our country. There seem to be a lot of well educated candidates out there, but once they are hired, many seem to be lacking Work Ethic – so what is it, exactly?

Work Ethic is a key attribute that employers request their staff to possess; one that is attributed to be a direct link to job success.

Building on previous research done in the 1980s, Gregory C. Petty, out of the University of Georgia, conducted a study on over 1,150 workers in 158 public and private businesses in the southeastern US and identified 50 Work Ethic descriptors, developing the Occupational Work Ethic Inventory (OWEI).

The data provided a concise list of concepts upon which to base Work Ethic and employability skills in the contemporary workplace. The results identified three key factors:

- (1) Interpersonal Skills
- (2) Initiative
- (3) Being Dependable

But the reality is, jobs have changed, and so has the level of education required to do them. Employees possessing a combination of computer skills and the ability to communicate well, also bring with them ambition, restlessness and the need to make money fast. There have also been changes in workforce demographics – that is, more women entering the workforce and younger staff. Some research found that younger workers did NOT believe that hard work would pay off. Imagine the difficulty an older team would have in managing a predominantly young workforce, if the belief system is not in sync.

There is no simple answer to Work Ethic, nor will there ever be. In the meantime, we can seek to utilize those tools available to us, such as Psychometrics test, which allows us to hone in on key personality traits and attributes, or other specific tools such as the OWEI. As employers, we can also ensure that we clearly communicate our core values. We must talk about what constitutes successful employees in our organization, these may be as straightforward as coming to work on time or proper attire in the workplace; or, may be contained within our definition of customer service. We must also ensure that we can provide the career path opportunities new employees are seeking. That way, we clearly define our expectations at the start, and begin to manage theirs.

## IFAC UPDATES

### IAASB Consultative Advisory Group Meetings Now Open to the Public

(New York/March 13, 2006) -- The Consultative Advisory Group (CAG) of the International Auditing and Assurance Standards Board (IAASB) has announced that its meetings are now open to the public. Its next meeting is scheduled for May 11-12 in Paris.

An important feature is the accountability of the IAASB to the CAG: IAASB project task forces are required to consider significant points made in the CAG discussions and respond in writing to the CAG, explaining how the matters raised have been dealt with. In developing this process, the meetings of the CAG are attended by the leadership of the IAASB and of the relevant task forces.

### IFAC's Public Sector Accounting Standards Board Issues Consultation Paper on Heritage Assets

(New York/February 28, 2006) -- The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) is working to improve both the quality and uniformity of financial information reported by public sector entities around the world. In pursuit of this objective, the IPSASB has issued a Consultation Paper entitled *Accounting for Heritage Assets under the Accrual Basis of Accounting*. The Consultation Paper includes a Discussion Paper, "Heritage Assets: Can Accounting Do Better?", recently published by the United Kingdom's Accounting Standards Board (ASB).

Accounting for heritage assets is an area of particular interest for governments and public sector entities worldwide. Many assets of significant cultural, artistic and historical importance and outstanding natural beauty are controlled by public sector entities, including items and sites, which are emblematic of particular nations. Diverse approaches to accounting for heritage assets have been developed by different standard-setters worldwide.

### Leaders of Accountancy Bodies Call for Strengthening Governmental Accountability and Enterprise Governance

(London and New York/February 22, 2006) -- At a meeting hosted by the International Federation of Accountants (IFAC) on February 20-21 in London, chief executives of accountancy organizations worldwide expressed a strong desire for improvements in the quality of governmental financial reporting and financial management and recognized the benefits this would generate for all taxpayers in all countries.

### IFAC Seeks Public Members for Ethics and Public Sector Accounting Standards Boards

(New York/February 16, 2006) -- The International Federation of Accountants (IFAC), the global organization for the accountancy profession, is seeking nominations for a public member for the International Ethics Standards Board for Accountants and for a public member for the International Public Sector Accounting Standards Board, independent standard-setting boards within IFAC.

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## IFAC UPDATES

Individuals, organizations, accountancy firms and IFAC member and regional accountancy bodies should have submitted nominations for these two public member positions by April 15, 2006.

Public members are expected to act in the public interest and must be seen to be independent of any special interests and seen to be acting to represent society as a whole.

### IFAC Consultation Paper Explores Assurance Aspects of Proposed Sustainability Reporting Guidelines

(New York/February 09, 2006) -- The unprecedented growth in population and consumption, global resource depletion, and broadening expectations regarding social and environmental accountability are among the reasons for an increased focus on sustainability by leaders worldwide. Given the increasing role of accountancy firms in preparing assurance reports on sustainability, the International Federation of Accountants (IFAC) has issued a consultation paper that explores the assurance aspects of the Global Reporting Initiative's (GRI's) proposed new Sustainability Reporting Guidelines (G3). Last month, the GRI, which develops and disseminates global reporting guidelines on the economic, environmental and social performance of organizations, released draft new guidelines designed to enhance the comparability, clarity, ease of use, and assurability of sustainability reports. The IFAC consultation paper, Assurance Aspects of G3 - The Global Reporting Initiative's 2006 Draft Sustainability Reporting Guidelines, explores issues in the proposed G3 Guidelines that specifically relate to assurance reporting.

### New Independent Chair Appointed for IFAC's Education Standards Board Consultative Advisory Group

(New York/February 07, 2006) -- The international Public Interest Oversight Board\* (PIOB) for the accountancy profession has appointed Dr. Charles H. Calhoun as Chair of the Consultative Advisory Group (CAG) to the International Accounting Education Standards Board (IAESB), an independent standard-setter within the International Federation of Accountants (IFAC). Dr. Calhoun's appointment to a three-year term is effective from January 2006.

The CAG, which includes representatives of academic institutions, regulators, accountancy bodies and other organizations with an interest in high-quality international standards on accounting education, provides technical advice and input on the strategic direction of the IAESB.

### IFAC's Public Sector Accounting Standards Board Proposes New Reporting Requirements for Non-Exchange Revenue

(New York/January 31, 2006) -- Taxes are the major source of revenue for most governments, but internationally agreed requirements for accounting for them in general purpose financial statements have not yet been developed. To deal with this major gap in international accounting requirements for governments, the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) has issued a proposed standard on the financial reporting of revenue from non-exchange transactions, including taxes and transfers.

The exposure draft (ED) of the proposed International Public Sector Accounting Standard (IPSAS), *Revenue from Non-Exchange Transactions (Including Taxes and Transfers)*, deals with a range of matters critical to government financial reporting of taxes, including the basis on which a wide range of taxes should be recognized and how they should be measured.

### IFAC Focuses on Corporate Conduct; Issues New Guidance on Developing Codes of Conduct

(New York/January 24, 2006) -- Recognizing the critical role of ethical values and standards on protecting the public interest, the International Federation of Accountants (IFAC) has developed new proposed guidance for corporate accountants and management worldwide. Its Professional Accountants in Business (PAIB) Committee has issued an exposure draft, *Guidance for the Development of a Code of Corporate Conduct*, proposing guidance to assist professional accountants and others in establishing and implementing codes of conduct in their organizations.

"The goal of this proposed new guidance is to support sound corporate governance policies worldwide," emphasizes IFAC President Graham Ward. "The publication draws greater attention to the need for corporate codes of conduct and provides practical guidance on the scope and implementation of such codes."

For more information about IFAC membership and activities, visit the IFAC website at <http://www.ifac.org>.



## Joke Corner



### Three Wishes

Three men: an editor, a photographer, and a journalist are covering a political convention in Miami. They decide to walk up and down the beach during their lunch hour. Halfway up the beach, they stumbled upon a lamp. As they rub the lamp a genie appears and says "Normally I would grant you three wishes, but since there are three of you, I will grant you each one wish."

The photographer went first. "I would like to spend the rest of my life living in a huge house in St. Thomas with no money worries." The genie granted him his wish and sent him on off to St. Thomas.

The journalist went next. "I would like to spend the rest of my life living on a huge yacht cruising the Mediterranean with no money worries." The genie granted him his wish and sent him off to the Mediterranean.

Last, but not least, it was the editor's turn. "And what would your wish be?" asked the genie.

"I want them both back after lunch" replied the editor, "the deadline for tomorrow's newspaper is in about ten hours."

