



## President's Perspective



Elson Jordan  
President ICAC

Without much fanfare, the Caribbean Single Market & Economy has become a reality. It does not seem to be the most effective way to introduce what has been heralded as a significant development in the Caribbean region. An appropriate marketing campaign to excite the region's imagination and interest, for example, has been noticeably absent for such an historic event. We hope that this will soon be corrected.

Caribbean Chartered Accountants, however, have been quietly positioning themselves to expand their operations and to achieve economies of scale in the emerging single market. This is commendable. One observes, however, that the expansion thus far has been among international firms with a presence in the region. Our historical development will not be complete without the emergence of a truly indigenous regional firm.

There are several small practitioners within the region and it is hoped that they will seize the opportunity and look outside their domestic borders to the new prospects that beckon. This is the only strategic and appropriate response that will signal an effective endorsement by Caribbean Chartered Accountants of the vision being articulated in the CSME.

Fittingly, we come together in June in Belize for the 23<sup>rd</sup> Caribbean Conference of Accountants, which is being held under the theme, "2005, We Harmonise." The regional profession has

been working assiduously to build an appropriate infrastructure to facilitate a common framework for the preparation of financial statements through the adoption of International Financial Reporting Standards. This initiative is supported by all member Institutes. We are now building a framework to support the free movement of chartered accountants across the region.

There is broad agreement of a schedule of recognised accountancy qualifications within the ICAC and common agreement therewith is intended to facilitate the free movement of qualified accountants within the region. The system, as envisioned, will be coordinated through the ICAC and will be operationalised within ICAC member Institutes. We urge you to make contact with your local institute to ascertain the details of how the system will be implemented. Included in this harmonization initiative, is also an agreement on continuing professional education. The ICAC has agreed that there will be a minimum CPD regime and all member Institutes have supported this proposal as it is critical to the provision of competent and professional service by the region's Accountancy profession and for which we have become renowned.

One looks forward to the cultural changes that certainly will emerge from the cross-fertilisation as a result of the Caribbean Single Market. We believe that standards in general will improve for the betterment of the region's Accountancy profession. Here's hoping that you will find your place in the expanded marketplace and that yours will be a continued effort that results in the ongoing development of the region.

## CONFERENCE 2005

The 23<sup>rd</sup> Caribbean Conference of Accountants will be hosted by the Institute of Chartered Accountants of Belize from June 23 to June 25, 2005. The Conference venue is the Princess Hotel & Casino, Luxurious Waterfront Rooms & Suites and Belize's only Las Vegas Style Casino.

The Conference theme, **2005: We Harmonize**, is in keeping with globalization trends and will seek to highlight new global procedures

required for accounting reporting and the effects this will have on small countries within the Caribbean.

Conference Fees are:  
**Member Delegates** - US\$450  
**Non-member delegates** - US\$550  
**Spouses** - US\$250

The Conference Committee is promoting the conference as a family event and is offering a

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## CONFERENCE 2004 cont'd

special package for children as follows:

- Children up to age 17 years - US\$150
- Children over the age of 17 - US\$250

Day passes are available for Plenary Sessions at US\$250 and US\$150 for participation in the Culture Fest/Tours.

Participants will be accommodated at the following hotels:

### **PRINCESS HOTEL & CASINO:**

US\$80.00 (single/double room inclusive of breakfast).

Website: [www.princessbelize.com](http://www.princessbelize.com)

### **RADISSON FORT GEORGE HOTEL & MARINA:**

Club Tower - US\$124 (single occupancy)

Colonial Rooms - US\$104 (single occupancy)

Villa Room - US\$94 (single occupancy)

(There will be an extra charge of US\$10 per additional person in room)

Website: [www.radissonbelize.com](http://www.radissonbelize.com)

### **BELIZE BILTMORE PLAZA:**

Standard single/double US\$70.00.

Deluxe Room single/double US\$92.00

Registration forms can be downloaded from the Conference website, [www.icab.bz](http://www.icab.bz), or the ICAC website, [www.icac.org.jm](http://www.icac.org.jm).

**Deadline date for registration for the conference is May 20, 2005.**



## BOARD BRIEF: MEETING HELD JUNE 17, 2004

One of the main issues on the agenda for discussion was the **ICAC/Inter-American Development Bank Project**. The project is a regional Caribbean Initiative to Support the Adoption of and Compliance with International Accounting and Auditing Standards in Barbados, Belize, Guyana and the Bahamas. All four territories reported that they were fully committed to the Project, and they were of the opinion that the participating countries will benefit, since there are components of the project that these territories would not be able to accomplish on their own.

It was decided that:

- Each territory should approach stakeholders (banks, insurance companies etc.) in their respective countries for the "cash portion" of the counterpart funding.
- The Directors should charge consultancy fees for their time spent on the project. This should be categorized in the section referred to as "kind" in the counterpart funding.
- A task force should be established comprising representatives from the four participating territories, ICAC Vice President, Garth Kiddoe and ICAC CEO, Elson Jordan.

With regards to the proposed **Regional Monitoring Programme**, it was reported that all territorial institutes were in the process of implementing Bryn Pollard's recommendations for amendments to their respective Legislation. This is to facilitate the implementation of the monitoring programme in the respective countries. The Board also decided to consider ACCA's Monitoring Proposal for the Caribbean which was presented by Mr. Sha Ali Khan (The Head of Monitoring and Supervision at ACCA). Mr. Ali Khan was asked to submit a proposal outlining details of additional information required for him to attach a dollar amount to this proposal.

The Board has decided to pursue **Professional Indemnity Insurance** for the region since all member Institutes have expressed an interest in the programme. This programme is timely, as ACCA now requires that all practitioners in public practice must be licensed and that they must have professional indemnity insurance.

The Board congratulated the Eastern Caribbean islands and the Eastern Caribbean Central Bank on the **official launch of the OECS Institute** on June 17, 2004. The Board once again registered its strong support for the formation of this body and has invited the new Institute to seek membership with ICAC.

## 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 the 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 Institute of Chartered Accountants of Belize
- The Bahamas Institute of Chartered Accountants
- The St. Kitts/Nevis Association of Chartered Accountants.
- The Institute of Chartered Accountants of St. Lucia

The ICAC provides an institutional framework within which Accountants in the region can associate and participate for mutual professional and fraternal benefits.

### **Membership benefits include:**

- Advantage of Caricom mobility under the Protocol II arrangements, which provide for the free movement of certain

personnel throughout the Caribbean community.

- Benefits of a regional Practice Monitoring Programme being implemented by the ICAC to enhance the regulatory capacity of the profession in the region.
- 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).
- 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.

# The Economic Environment and (SMEs) The case of the Caribbean

by Robertine Chaderton Ph.D., FCCA



## What is a Small Medium Enterprise (SME)?

In the Caribbean, there are varying standards for sales or turnover figure that is used to define an SME, but the working definition for SMEs, at least in the OECS, is **“any business which employs less than 50 persons”**. In preparing for the Round Table Conference which I attended in Mauritius sponsored by the ACCA, I was surprised to learn from the St Kitts Nevis Chamber of Industry and Commerce that 64% of its

members fall within that category. It became obvious to me that most likely 75% or more of Accountants' corporate clients in the Caribbean region also fall within that category. Many accountancy firms can also be classified as SMEs.

The purpose of this article is to identify some of the areas in which Accountants can assist the growth of the SME sector. This is a topic that is high on the agenda of the International Labour Organization (ILO) regionally. The global economic significance of small businesses cannot be overestimated. For example, the Development Bank in Mauritius estimates that there are 47,000 SMEs (defined as having less than 10 employees) in Mauritius, which account for 15% of the GDP and 20% of employment.

Given the current economic climate globally, it must also be remembered that, historically, the small business sector has been the major player in lifting countries out of recession. It is generally agreed that in order for SMEs to grow and develop there must be:

- the enabling environment and
- the desire by individuals to be entrepreneurs.

Within the Caribbean, there are a number of stumbling blocks to both factors. They are, however, not insurmountable but a consistent effort must be made to remove them.

The institutions that advertise that they facilitate SMEs in the region are Development Banks with Small Enterprise Development Units (SEDU), Foundations for National Development, Small Business Associations and the Small Business Division of the Chambers of Industry and Commerce (where they exist). Very few commercial banks formally indicate that they promote the development of small and medium enterprises.

The institutions that facilitate SMEs provide financial support through loans and venture capital funds as well as technical support in the form of institutional strengthening. They also provide training, small business consultancy and assist with policy formulation.

Policy formulation has also taken place at governmental level in countries such as Barbados with the assistance of the Small Business Association (SBA) among other non-governmental organisations. It is said that the broad objectives of policy should include:

- A national public education and awareness programme to highlight the importance of SMEs to the economy
- Promotion of creativity, the development of business acumen and the encouragement of entrepreneurial endeavour
- Foster investment and employments through the strengthening of SMEs
- Programmes of education and training specifically designed to address special and continuing needs of SMEs
- The focus of the programmes, which are disclosed in Protocol Four of the Social Partnership 2001-2004, included among other areas:
- Increasing productivity and efficiency in all spheres of activity to

facilitate competitiveness internationally

- Development and implementation of an ongoing nationwide campaign to encourage the purchase of local goods and services
- A tourism development strategy which rewards investors and provides decent work and reasonable career prospects
- Providing assistance for local enterprises to become internationally compliant with International Standards Organisation (ISO), Hazard Analysis Critical Control Points (HACCP) and similar standards

Although these have been defined for Barbados, since tourism with all its variations (sports, environment, health, etc.) is seen as the panacea for failing agriculture (sugar and bananas) economies, they seem applicable to all countries in the region. These are lofty ideals that will not become a reality without the total involvement of the business community. This means that financial institutions have a role to play.

## The problems

Some of the problems which plague SMEs were revealed at an ILO workshop held in 2001, under the auspices of the St Kitts Nevis Chamber of Industry and Commerce, at which I was a co-presenter. The participants cited the problems as:

- Lack of trust
- The cultural attitude towards entrepreneurship
- Inadequate leadership
- Poor financial management
- Lack of information
- Inability to access markets
- Burdensome WTO and HACCP rules

In the case of poor financial management, Accountants can assist by providing guidance to managers and helping to develop management accounting techniques for these companies. As it relates to lack of trust, commercial banks and other financial institutions were accused of reviewing proposals from small businesspersons, turning down their loan applications and then granting loans to big businesses with similar ideas. In addition, the nature of confidentiality and ethics leaves room for improvement particularly in small societies.

There is an attitude in the Caribbean that one becomes an entrepreneur when all else fails. It is seen as a last resort rather than the ultimate career move. While this may be the perception, it needs to be understood that no one has ever gained wealth by being an employee. As a result of this view of the world of business, SMEs have tended to attract weak leaders. There is poor financial management especially as it relates to the management of cash flows. In addition, information on the business environment, both nationally and regionally, is very hard to obtain and decisions are often made, not based on facts but on 'gut feelings'.

Since there are weak organisational structures among SMEs, there is not a united effort to ensure access to regional or international markets and the WTO rules further undermine development efforts within the region.

## What can accountants do?

Accountants must work with financial institutions to assist in developing an enterprise culture. It is imperative for the survival of businesses and for securing investments from lending institutions that proper accounting support and supervision are being carried out. It may be necessary that a cadre of Accountants is available to provide this service. The use of Accountants who can provide management advisory services should be linked to the continuity of the existence of the overdraft facility. The management advisory service is often of

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# TERRITORIAL UPDATE

## BAHAMAS

### ● Luncheon and Session

On October 7, the Bahamas Institute of Chartered Accountant (BICA) held a luncheon and seminar on the 1991 Public Accountants Act of Bahamas. This event was well attended and generated lively discussions among participants.

### ● Accountant's Week

BICA's 33rd Annual Accountants Week was held at the Wyndham Hotel on Cable Beach from November 6 to November 11 under the theme, "**Accounting Through Excellence with Credibility and Authority.**"

Key topics included, *An Update on IFRS/IAS; Fraud detection and investigation Sarbanes Oxley; Trust Accounting, Inventory Management and Managing people and conflict.*

## BARBADOS

### CPE Seminars

The Institute of Chartered Accountants of Barbados (ICAB) conducted a series of seminars over the period June to September. Details are as follows:

- On June 26, 2004, the Institute hosted a half-day seminar on Dispute Resolution
- A one-day seminar on Corporate Risk Management was held on July 28, 2004
- A one day seminar entitled, **An Introduction to Corporate Finance**, was held on August 30, 2004
- A one-day seminar on International Financial Reporting Standard (IFRS) took place on September 15, 2004
- The 2<sup>nd</sup> Annual Captive Insurance workshop was held on September 24, 2004
- A one-day Conference took place on November 26, 2004

## GUYANA

The Institute of Chartered Accountants of Guyana (ICAG) has been conducting on-going reviews of the Company Act of 1991, with the aim of making appropriate amendments to the Act.

With regards to professional training, a CPE seminar was held in July on IAS 24.

## JAMAICA

### ● 39<sup>th</sup> Annual General Meeting & Luncheon

The Institute's 39<sup>th</sup> AGM & Luncheon was held on July 21, at which the following Principal Officers were re-elected for 2004/2005:

- Mr. Linroy Marshall - President
- Mr. Leighton McKnight - Vice-President
- Miss Prunella Vassell - Treasurer
- Mr. Victor Markman - Secretary

Other Council members for 2004/2005 are:

Mrs. Carol Jones, Mr. Garth Kiddoe, Mr. Patrick Chin, Mr. Dennis Brown, Mr. Martin Gooden, Mr. Alvin Henry, Mr. Carey Metz, Mr. Archibald Campbell and Mr. Dennis Chung.

Several resolutions for changes to the ICAJ's Bye-Laws were placed before the meeting and passed by vote by members. These included amendments to the age requirements for members who wish to be transferred to the category of "members in retirement" and an amendment to the period of relevant work experience required for graduates seeking membership

### ● ICAJ gives hope to teenagers at the Elsie Bemand Home

The Elsie Bemand Girls' Home benefited last year from a \$100,000 contribution from the ICAJ. The Home is supported by the ICAJ annually through donations from members as well as funds generated from Dutch auctions held during the Institute's Christmas Luncheons.

The \$100,000 donation represented amounts collected at the Institute's Dutch auction in December 2003 as well as the generous contribution of Mr. Derek Rostant, Partner in the Forensic & Accounting Practice of KPMG Canada, who requested that his professional fee be donated to a local charity. Mr. Rostant was the main presenter at a seminar hosted by the ICAJ on "**Forensic Accounting and CIS Auditing Tools**" on Saturday, April 24, 2004.

### ◆ Continuing Professional Education (CPE) Seminars

- ◆ A seminar on Practice Management was held on July 17, 2004. Topics included, **Practice Management success and survival of your business; Proposal Writing Overview** and **Report Writing Overview.**
- ◆ A seminar entitled, **IAS 26: Accounting & Reporting by Retirement Benefit Plans**, was held on October 3, 2004. Topics covered included, *Regulating the Pensions Industry; Actuarial Evaluation; Legal Implications of the Pensions Act, Pensions' Funds Association of Jamaica;* and IAS 26 and its linkages with IAS 19 (Employee Benefits) and IAS 39
- ◆ (Financial Instruments: Recognition and Measurement)

### ● Graduation 2004

#### ● CAT Graduation Ceremony:

On August 25, 2004, the ICAJ and ACCA recognised the achievement of **179** students who successfully completed the June and December 2003 sittings of the Certified Accounting Technician (CAT) Examination. The Graduation Luncheon took place at the Knutsford Court Hotel.

In keeping with the ICAJ's practice of recognising excellence, the 2003 CAT Award, in honour of the student completing level C in one sitting, with the highest average mark of all those who sat the examinations during the calendar year, was presented to Taariq Abdul-Majeed (December 2003 graduate).

### ● ICAJ/ACCA Joint Scheme Examination:

The Institute of Chartered Accountants of Jamaica and the Association of Chartered Certified Accountants honoured **139** students who successfully completed the December 2003 and June 2004 sittings of the Joint Scheme Examination. The students were honoured at a Graduation Ceremony and Cocktail Reception on Saturday, September 25 at the Jamaica Pegasus Hotel.

### Other Activities:

**October 13, 2004** - Forum on IFRS and how to read financial statements hosted under the ICAJ/IDB Technical Project Unit)

**October 30, 2004** - Companies Act (hosted under the ICAJ/IDB Technical Project Unit)

**November 3, 2004** - Accountants' Forum, *Knutsford Court Hotel*

**November 17, 2004** - Taxation Forum, *Knutsford Court Hotel*

**Nov. 26-27, 2004** - Improvements to International Standards Workshop

**January 2005** - 40<sup>th</sup> Anniversary Church Service (Kingston & Montego Bay)

40<sup>th</sup> Anniversary Luncheon (Montego Bay)

Students Orientation/Rap Session

### ST. KITTS-NEVIS ASSOCIATION OF CHARTERED ACCOUNTANTS (SKNACA)

#### • Quarterly Meeting

In May 2004, the General Meeting for the second quarter was held at the Frigate Bay Beach Hotel. The main agenda item was a discussion on issues relating to the formation of the OECS Institute of Chartered Accountants. Members of the Association discussed various issues regarding the formation of the Institute.

#### • Joint Seminar

The SKNACA conducted a joint seminar with ACCA Caribbean on the topic, *Fraud Prevention and Internal Controls*. Main presenter at the seminar was Dr. Robertine Chaderton of SKNACA.

#### • Donations

During the year, the SKNACA donated two computer systems valued at over EC\$7,000 (US\$2,500) to the St. Theresa Convent School.

#### • Grenada Relief

Following the devastation in Grenada caused by the Hurricane Ivan, the Board of Directors of the Institute took a decision to donate EC\$1000 (US\$370) to the relief effort in Grenada.

### TRINIDAD & TOBAGO

Activities undertaken by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) during the latter part of the year included:

- A one-day seminar dealing with revisions to IAS 32 and 39 and requirements of IFRS held on March 1, 2004.
- A one-day seminar held jointly with ACCA on requirements of IFRS 2,3,4 and 5 on September 13, 2004.
- ICATT's Accountants' Week was held between November 15 and November 19, and included presentations on **Corporate Governance** and **IFRS 4**.
- A special supplement was also published to commemorate Accountants' Week. The supplement featured articles on **Corporate Governance and Accounting for HIV/AIDS** as well as a report on the implementation of the **Inter-Development Bank Project (IDB)** in Trinidad

## ACCA CENTENARY Activities Held in 2004

ACCA has just completed celebrations marking its Centenary year in 2004. Underlining the celebrations is the theme of responsibility and ACCA's desire to reassert the overall importance of the role of accountants and finance professionals in business and to the public at large.

The celebrations included a series of Centenary business seminars around the world. Some 2000 delegates have attended Centenary events in countries around the world, including Dublin, New York, Toronto, Sydney, Melbourne, Beijing, Honk Kong, Kuala Lumpur, Colombo, Karachi and Accra.

Events held within the Caribbean region included:

#### • ACCA Centenary Cocktail Reception

This was hosted by the former Chancellor of the University of the West Indies and former Secretary General of the Commonwealth, Sir Shridath Ramphal, on January 27, 2004 at the Trinidad Hilton & Conference Centre. There were approximately 100 persons in attendance. This was immediately followed by a Centenary Breakfast seminar hosted by the ACCA Caribbean Office, on Wednesday January 28, 2004 at the Trinidad Hilton. Presentation on the main topic, **"Opportunities/challenges of SMEs in an emerging market in the Caribbean"**, was done by Sir Shridath Ramphal.

There was also a roundtable discussion by a panel of presenters on the topics, **"Effect of company reporting under new IFRS directives"** and **"Strategies for reducing inequalities for SMEs."**

The panel comprised:

- Vishnu Maharaj, Moderator ACCA Council member
- Angela Lee Loy Managing Director, Aegis Business Solutions Limited
- Anthony Hosang Past President, Trinidad & Tobago

Manufacturers Association

- Gerard Pemberton Managing Director, Development Finance Limited
- Kelvin Sergeant Director, T&T Securities & Exchange Commission
- Wilbert Harris Manager, Financial Services, Water & Sewerage Authority

The topics were timely and facilitated ongoing dialogue among the 75 persons in attendance.

In September, several ACCA Centenary CPDs were held in Barbados and Trinidad. These were hosted by Paul Moxey the Head of Corporate Governance and Risk Management at the ACCA. He is responsible for ACCA's policies on Corporate Governance and Risk Management.

The two seminars held in Barbados focused on the topics **"Corporate Governance and Risk Management"** and **"Quality, Risk, Control & the role of Ethics in Corporate Governance."** The first seminar was held on September 21, 2004 at the Barbados Conference Centre and the latter on September 25, 2004 at the Ocean View Hotel.

The CPD seminar on **Corporate Governance & Non-executive Directors** was held in Trinidad on September 27, 2004 at the Hilton Trinidad & Conference Centre.

On September 25, the ACCA Caribbean Office hosted a Charity Dinner & Dance for ACCA members and their guests, at the Georgetown Club, which was also hosted by Paul Moxey.

The ACCA Caribbean Office hosted two free Centenary Training workshops for students that were conducted by Wayne Oudit, Member

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# FRAUD & WHITE COLLAR CRIME



**Contributed By Dennis Chung**

At the recent launch of the “White Collar Crime” journal, I was involved in an informal conversation on the comparison between white collar and violent crimes. We agreed that white collar crime has a far more devastating effect on the economy and society than the violent crimes that have occurred over the years. This is not to discount the need to focus on these violent acts but it raises the question of whether we are really addressing the factors that

contribute to these crimes.

The effect of violent crimes pale in comparison to the financial failures caused by mismanagement and criminal intent. This is by no means restricted to the region, as we have seen the likes of Barings Bank in Europe, where one man [Nick Leeson] caused the collapse of this long-standing institution. The Bank of England Reported that by 31 December 1994 he had accumulated losses, on an account opened in 1992, of 208 million pounds. Not to be outdone, the United States has recently experienced failures such as Enron and WorldCom to the tune of millions of US dollars. Although these events received significant press coverage there is no public outrage at the untold immediate and future suffering of many pensioners and other investors as a result of these corporate failures. In fact, this type of suffering is slow and just as painful as the murders for which we rightfully demand justice. The effects range from heart attacks and strokes to prolonged financial woes.

In the region we have not been exempted from our share of this problem as evidenced by the effects of the creation of FINSAC following the collapse of Jamaica’s financial sector in the 1990s. FINSAC’s 2002 annual report shows that, as at that date, the accumulated cost to the government [Jamaica] was \$254 Billion, which included \$132 Billion in capital and accumulated deficits of \$122 Billion. The Balance Sheet shows both figures netting to create an \$11 Billion equity position, but when the particular note to the statements is examined it explains that the capital contributed is actually advances and bonds from the government, which effectively is at a cost to the people of Jamaica. This amount represents some 37% of the current debt stock, which although not immediately included in the debt, has had a negative effect since its creation in 1998.

There is no doubt that these financial failures have had a far more devastating effect on economies than the incidents of violent crimes. In fact it can be successfully argued that these events indirectly cause all sorts of criminal activity as they assist to create the economic deprivation that in turn breeds crime. In the case of Jamaica, the 1990s crisis did not only cause the failures of businesses and individuals. More importantly it eroded the commercial structure of the country and at the same time left persons with a mountain of debt that they had no means of repaying. Just imagine having debt without any income. The result of that is further debt. Importantly, the 1990s debacle resulted in a serious erosion of entrepreneurial capabilities.

If seriously analyzed we would find that it indirectly created poverty through unemployment and was a driving force behind the creation of further debt as persons were left without earning potential. How much of our present \$680 Billion debt stock can we directly and indirectly relate to the crisis of the 1990s? It would be interesting to know.

In 1999 the Minister of Finance stated that “... (FINSAC), at a tremendous cost, has prevented the total financial ruin of many people in the society”. I agree with this position taken by the Minister as without the intervention not only would many people suffer financial ruin but there could have been a total collapse of the society. It could be argued, however, that the government’s intervention should have happened much earlier than it did.

The question remains, why do we not react in the same way to these types of financial scandals as we do in the case of violent crimes? Why don’t we cry for justice and demonstrate with the same fervor as in the case of reported police brutality? The answer to this lies in the perception and understanding of white collar crimes as opposed to violent crimes. The differences between white collar and violent crimes can be summarized as follows:

- Violent crimes are “in your face” while white collar crimes are usually uncovered in small measures;
- White collar crime is seen as being committed by persons from the upper class and so it is not taken seriously or it is not made public;
- Violent crimes are an immediate threat to life and carry a greater fear factor; and
- White collar crime is not widely understood and in many instances accepted as “hustling”.

The truth, however, is that white collar crime will have a more far-reaching and devastating effect. A major financial fraud within a company, for example, could affect the livelihood of most, if not all, employees.

As a society we readily call for the head of murderers or policemen who abuse their powers, and rightly so, but shouldn’t we be pursuing the perpetrators of white-collar crime with the same vigor? Instead, what we do, for example, in the case of the collapse of Jamaica’s financial sector, is to place the blame squarely at the feet of the government. This really emanates from our inability to comprehend the real issues involved.

Subsequent to the collapse the government went about strengthening legislation to minimize any chance of recurrence, such as the Financial Institutions and the Companies Acts. In the United States, the response to Enron was to enhance accounting rules and legislation. The difference between the United States and Jamaica is that the US recognized the devastation that financial irregularities can have on its economy and people and so appropriate measures were put in place to serve as a deterrent for perpetrators. The result is that the US will not suffer the domino effect that we experienced in Jamaica in the 1990s. We must be thankful for this because any such crisis in the United States could have a global effect.



# CONFERENCE 2004 - ST. LUCIA



The ICAC's President Elson Jordan delivering the welcome address at the Presidents Dinner



Conference Chairman Frank Myers & wife are pleased with the success of the conference



MC getting things off at the Presidents Dinner.



Elson Jordan (left), the Governor General St. Lucia-Dame Pearlette Louisy and Eric Bartlett CGA's representative, enjoying the festivities at the Presidents Dinner



Comedian "cracking up" the Conference Participants with his jokes at the Presidents Dinner.



Comedian, Frank Myers & others) -- Conference Chairman Frank Myers (second left), Comedian Paul Keens-Douglas (sixth from left) and others gathered around during pre-dinner drinks.



Fashion Show, showcasing the designs of local designer, Shazi Chalou of Shazi La Boutique.



The steel band entertaining the conference participants at the welcoming cocktail dinner with some cultural music.



Conference participants enthralled by the cultural performance of the St. Lucian Folk Dancers of the Folk Research Centre



Drummers taking the conference participants back to the motherland Africa?



Clarinet Player soothing the audience with classical music.

## The Economic Environment cont'd from page 3

more use than the service of auditing, which is merely assurance.

Where venture capital partnerships and alliances are to be formed, the financial institutions, particularly the indigenous ones, must use their understanding of the Caribbean culture to negotiate terms that are more relevant to the needs of the local environment rather than use terms copied wholesale from North America. Too often, funding is available but persons who are in need of funding are unable to meet the funding requirements and so these funds remain unutilised.

Commercial banks, credit unions and other financial institutions can help to engender the spirit of entrepreneurship within young people by supporting Junior Achievement programmes, Youth in Business Schemes and Young Entrepreneur Schemes.

Accounting firms and commercial banks can also provide mentoring for SME owners. For example, an individual within the financial institution with the necessary 'people skills' and an understanding of human behaviour could serve as a non-executive director and act as mentor to the Chief Executive.

Finally, Accountants can join bodies that facilitate SMEs and assist with lobbying efforts to make available to SMEs the same concessions that are given to big businesses and foreign investors.

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## ACCA CENTENARY Activities cont'd from page 5

& Corporate Services Manager. The workshops on Resume Writing & Presentation Skills were held on September 24, 2004 at the Hotel Tower. This workshop was repeated in the afternoon to accommodate as much students as possible.

Other Centenary activities included the launch of awards and scholarship. A dedicated website [www.acca100.com](http://www.acca100.com) has been set up and includes

details of events and activities held during the year, profiles of ACCA members and a list of Centenary merchandise which is available for sale.



# IDB UPDATES

## JAMAICA

The ICAJ/IDB Technical Project for improving the application and compliance with International Accounting and Auditing Standards was officially launched during a cocktail reception on June 11, 2004.

ICAJ President, Mr. Linroy Marshall, in outlining details of the Project explained that it was intended to strengthen the regulatory framework of the Accountancy profession and will assist accountants and businesses to effectively apply International Financial Reporting Standards (IFRS), thereby ensuring greater transparency and credibility in the financial statements of listed companies.

The three-year Project will be executed by the ICAJ at a cost of US\$1.015 million (JA\$61.9M). One of the main components of the project includes assisting stakeholders in the private and public sectors to effectively apply international and accounting and auditing standards. Efforts will be made to strengthen the capacity of the ICAJ to build adequate mechanisms for compliance with IFRS and ISA and to establish systems and processes to ensure the sustainability of the programme.

Mrs. Bevelyn Brodber, FCA, MBA was appointed Technical Project Manager for the Project with effect from April 2004. A sole practitioner, Mrs. Brodber has broad-based experience in management, project planning and execution and in-depth knowledge of accounting, finance and the applicable standards and regulations.

Since Mrs. Brodber's appointment ICAJ has placed notices in the Gleaner on September 16 and October 1, 2004 for pre-qualifying consultants and has held a seminar on "IAS 26 and linkages with IAS 19 and IAS 39" on October 2, 2004.

## TRINIDAD

The Project Manager, who was hired in June 2003, resigned in April 2004. In July 2004, the service of a part-time consultant was engaged to assist with the project until a new project manager is contracted.

The Project is aimed at improving the application of and compliance with International Financial Reporting Standards and International Standards of Auditing. The components of the Project include conducting an independent assessment of accounting and auditing and developing a Country Action Plan; increasing the level of implementation and application of IFRS and ISA; strengthening the enforcement capabilities to monitor and ensure compliance with IFRS and ISA as well as sustaining the implementation of these standards.

### Status of the Project

The final draft of an independent assessment of accounting and auditing done by David Cairns, a highly respected author from the

United Kingdom, was approved and is ICATT awaiting the finalised report. The main recommendations of the report are:

- Both accountants and non-accountants should participate in the determination of accounting and auditing regulation and oversight of the accountancy profession
- Pending the establishment of an oversight body, the Government, ICATT and other regulatory authorities should ensure that all persons offering public accounting and auditing services in Trinidad and Tobago are subject to the same regulatory oversight, code of ethics, discipline and continuing professional education
- Pending the establishment of an oversight body, ICATT should modify its infrastructure to ensure public interest is represented and should consider what steps should be taken to ensure the independence of auditors
- ICATT should implement a practice monitoring programme
- ICATT should advocate full compliance with IFRS in the audited financial statements of listed and other public interest companies, such as banks, insurance companies and large private limited companies
- The Registrar of Companies should be given the power to ensure that large limited companies promptly file their audited financial statements and that the financial statements are audited by qualified members of ICATT
- ICATT should relax the requirement for full IFRS financial statements for small and medium size c companies
- ICATT should establish a committee to provide interpretations and other implementation guidance on I F R S appropriate to the national environment
- The SEC and ICATT should clarify their respective responsibility for enforcing compliance with IFRS by listed companies and other public interest companies
- ICATT should continue to expand its programme of IFRS and ISA workshops
- ICATT should explore regional opportunities for education, training and practice monitoring

The Country Action plan has been developed and is being implemented. This plan addresses the findings of the independent assessment and the other components of the Project.

The second component of the project, which involves increasing the level of implementation and application of IFRS and ISA, is being implemented. In order to ensure that the training to be provided is effective and meets the needs of participants, it was decided that an assessment should be done to determine the type and nature of training required by auditors and preparers and users of financial statements. The next phase will be to develop the training programme and materials for the targeted participants.

It is anticipated that the other components of the project will be implemented as soon as a new Project Manager is hired.

## CONDOLENCE

The ICAC extends heartfelt sympathy to our CGA representative, Eric Bartlett, who lost his mother on Thursday October 14, 2004. May the warm memories of your dear mother bring you comfort and peace during this difficult time.

Our prayers are with you

## QUOTE

*Gratitude unlocks the fullness of life. It turns what we have into enough and more. It turns denial into acceptance, chaos to order, confusion to clarity. It can turn a meal into a feast, a house into a home, a stranger into a friend. Gratitude makes sense of our past, brings peace for today, and creates a vision for tomorrow.*

From the writings of Melody Beattie