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## PRESIDENT'S MESSAGE

I am grateful to the Executive Officers and members of the ICAC Board of Directors, our member institutes and affiliates as well as the staff of the ICAC Secretariat for their invaluable contribution during

the past year and look forward to your continued support in 2013. As a body, we have achieved much.

### Regional Initiatives

The ICAC's 65<sup>th</sup> Board of Directors Meeting was held on February 9, 2013 in Barbados. Among the matters discussed were a number of regional initiatives which we will continue to pursue as a umbrella organization. This includes the regional practice monitoring programme.

### Practice Monitoring Update

The contract for the ICAC/ACCA practice monitoring programme which commenced in 2008 will expire in 2014 and in this regard, the ICAC Board is actively looking at establishing a regional monitoring unit, in keeping with our commitment to ensure the existence of efficient quality assurance review systems in the region. We will keep our member bodies and other stakeholders updated via this newsletter on this initiative.

### World Bank Initiative

ICAC, in collaboration with the World Bank, is preparing a joint synthesis report on the findings of ROSC - Accounting and Auditing Reports for Caribbean countries. The report will focus on the impact of ROSC on capacity building of Caribbean countries. It is being proposed that the findings of the synthesis report will assist in preparing a regional capacity development project in accounting and auditing and a strategy for the ICAC aimed at supporting capacity building for the ICAC and its member bodies

in the region. Efforts will be made to obtain grant funding from the World Bank for the proposed regional capacity development project. We encourage our member bodies to provide the necessary input and feedback where necessary on the accounting and auditing profession within their respective jurisdiction to assist in the preparation of this report.

### ICAC Annual Conference

Plans are well underway for the ICAC's 31<sup>st</sup> Annual Caribbean Conference to be held over the period June 27-29, 2013 in Barbados and we anticipate another high quality conference. This year's conference will be hosted by the Institute of Chartered Accountants of Barbados and our deliberations will center around the theme of **Global Challenges. Regional Solutions.**

As is customary, we will be engaging regional thought leaders as well as international speakers to assist us to devise strategies to "increase growth, transform the region's economies and increase competitiveness in the global environment."

We invite you to register early and to also note that relevant information for the conference is now available on-line for delegates. Read more about the Conference on page 4.

On behalf of the Board of the ICAC, I take this opportunity to thank ICAB President David Simpson and his team, who, even now, are making every effort to ensure that Conference 2013 is a success. We look forward to another fruitful and memorable conference, and I look forward to welcoming you all Barbados for the 31<sup>st</sup> ICAC Annual Caribbean Conference.

**JE (Betty) Brathwaite**  
President

## 2013 Chief Executives' Forum Focuses on Review of IFAC's Constitution & Key Issues Affecting the Global Accountancy Profession

The International Federation of Accountants (IFAC) hosted its annual Chief Executives (CE) Forum over the period February 25 – 27, 2013 in New York. This year's CE Forum focussed on major issues being considered in the review of IFAC's Constitution and Bylaws, IFAC's strategic direction and other key issues affecting IFAC and the global accountancy profession.

The annual forum brings together Chief Executives of IFAC member bodies, regional organisations and accountancy groupings, members of IFAC's Planning and Finance Committee, and chairs of IFAC committees as well as representatives of independent standard-setting boards. The ICAC was represented at the meeting by its CEO, Misha Lobban Clarke

On the first day of the CEs Forum, breakout groups provided input on major issues being considered in the review of IFAC's Constitution and Bylaws, including the roles and responsibilities of the IFAC Council, Board, and Officers, and proposed options regarding IFAC's membership structure. The second day focussed on IFAC's strategic direction including, participants' expectations for international, regional, and national trends and developments through 2020 and the implications for the global accountancy profession and IFAC.

IFAC's incoming CEO, Faye Choudhury presented his views on IFAC, the challenges and the way forward. He noted that IFAC has four "business lines" - standard-setting, supporting accountants worldwide, building capacity and being a voice for the global accountancy profession. He also highlighted five areas of focus for IFAC under his leadership:

- Streamlining processes
- Enhancing perceived independence of the standard-setting boards
- Making stakeholder focus part of IFAC's "DNA"
- Enhancing support of accountants worldwide, and
- Diversifying the funding base

ICAC's CEO, Misha Lobban Clarke states "the CEs Forum is an important avenue through which ICAC as an acknowledged accountancy grouping of IFAC can actively participate and make a meaningful contribution on developments and key issues that impact the accountancy profession. It is commendable that each year IFAC, as the global organization representing the accountancy profession, seeks the input and feedback from its member bodies and other key stakeholders concerning its strategic goals and major initiatives."

"The CEs Forum also provides a platform for member bodies, regional organisations and accountancy groupings, including the ICAC, to share their experiences and challenges and to examine strategies for the future growth and development of the accountancy profession. The annual forum also affords the ICAC the opportunity to build linkages with other accountancy bodies," she added.

IFAC's Board meeting was held immediately following the CEs Forum on February 28 and March 1 and was also structured to facilitate further discussion and consultation on the review of IFAC's Constitution and Bylaws.

"If IFAC is to be widely recognized as a dynamic and innovative organization, its governance structure should reflect best practice and facilitate efficient and effective decision-making. Recognizing the importance of a governance structure that enables timely responses in a rapidly changing environment, the Board has commissioned a comprehensive review of the Constitution and Bylaws," notes IFAC President Warren Allen.

Following consultations with the IFAC Board and chief executive officers attending the 2013 CEs Strategic Forum, the Constitution Review Working Group developed a survey to obtain further input from IFAC's member organizations on the objectives of the review of IFAC's Constitution and Bylaws and the key issues being considered.

Member Bodies, Associates, Affiliates, Regional Organizations, and Accountancy Groupings are invited to submit their responses to the survey by **May 8.**



From left to right: ICAC CEO, Misha Lobban Clarke with IFAC President, Warren Allen; newly-elected IFAC Board member and Auditor General of Jamaica, Pamela Monroe Ellis and Bruce Scott, Technical Advisor to Mrs. Monroe Ellis and ICAJ Council Member at the IFAC Board Meeting held in New York on February 8 and March 1.

# Helping Regional Accountants Combat Finance Crime

ACCA (Association of Chartered Certified Accountants), the Barbados FIU of the Anti-Money Laundering Authority (AMLA) and ICAB (the Institute of Chartered Accountants of Barbados) hosted a roundtable event on Tuesday, February 19 to address the issue of anti-money laundering and counter-terrorism financing and the role of the accountant.

The event themed, *Tackling Money Laundering: Expanding the compliance regime for accountants*, was held at the Hilton Barbados.

Similar roundtable events were held in Trinidad and Jamaica.

Brenda Lee Tang, head of ACCA Caribbean said, “The massive settlements reached recently between authorities in the US and a number of major international banks demonstrate the seriousness with which regulators are now supervising compliance with the anti-money laundering regimes to which banks and many other categories of institution and professional adviser are now subject. The basis of the settlements illustrates the depth of the concerns of governments and others about how lax controls on money laundering and the financing of terrorism can facilitate major criminal activity.”

“Governments and regulatory bodies around the world are now looking at how to incorporate the updated global standards on anti-money laundering and counter-terrorism financing into their laws and rulebooks,” she added.

Ms. Lee Tang also noted that Chief Financial Officers (CFOs) have an increasing role to play in managing risks and combating financial crimes.

“Our most recent report showed the role of the CFO is changing, with CFOs surveyed for a report saying that cost reduction, financial control and the emerging responsibility of forecasting are among the top three priorities for today’s finance leaders and that the areas such as achieving sustainable growth in competitive markets, ensuring investment decisions are robust, and a company’s board is guided well to manage risk as well as dealing with regulation and increased scrutiny are just some of

the trends shaping the future role of the CFO in the future,” she said.

“The accounting profession is one of the main categories of business to be subject to requirements under the Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) compliance regime and accountants are themselves seen as one of the main gatekeepers of any national effort to tackle serious crime,” she added.



From left to right: John Davies, head of technical at ACCA, Brenda Lee Tang, head of ACCA Caribbean and Betty Brathwaite, ICAC President, exchange ideas on the Anti-money Laundering Roundtable event held on February 19 at the Hilton Barbados.

John Davies, head of technical at ACCA, delivered the feature presentation on the changes to the global regulations and what they will mean for accountants at the roundtable event in Barbados. A presentation was also made by the FIU on the current state of play of the supervision of the anti-money laundering/counter-terrorism financing regime for Designated Non-Financial Businesses and Professions (DNFBPs) such as Accountants in Barbados. ICAC President, Betty Brathwaite

delivered opening remarks.

Another highlight of the event was a panel discussion, chaired by Reginald Farley, executive director of ICAB, and featuring John Davies, Shelley Nicholls-Hunte, Director FIU; and Cheryl Greenidge, deputy director of bank supervision of the Central Bank of Barbados.



Participants listen keenly to presentations during the Anti-money Laundering Roundtable event held in Barbados.

# Registration Now Open for the 2013 Caribbean Conference of Accountants



## The Institute of Chartered Accountants of the Caribbean 31st Annual Caribbean Conference

Hosted by  
The Institute of Chartered Accountants of Barbados  
Website: <http://2013conference.icac.org.jm/>



Registration is now open online for the 31st Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) to be held in Barbados over the period June 27-29, 2013. For registration and conference details visit the conference website at <http://2013conference.icac.org.jm/>.

The venue for the 2013 Caribbean Conference is the luxurious Hilton Barbados, which is nestled on the popular Needhams' Point on the outskirts of Bridgetown.

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

### Conference Topics:

An impressive line-up of expert speakers from the Caribbean, the United States, Canada and United Kingdom will address a wide of topics including:

- IFRS Update
- Auditing Standards Update
- Perspectives on Regional Integration
- Challenges of Fiscal Consolidation and Debt Reduction in the Caribbean
- Sustainability Reporting
- Investigation and Discipline within the Accounting Profession
- A New Model for Cricket Administration and Development
- Gender Diversity in the Boardroom
- Employee Engagement & Performance
- Feeding CARICOM – Prospects for Caribbean Agriculture
- Imperatives for Caribbean Growth
- The Economics of Renewable Energy in the Caribbean

- Managing Regional Air Transportation
- Caribbean Tourism - outlook and the way forward
- Caribbean Competitiveness and Growth
- Change Management and Organizational Transformation in the Caribbean

### Conference Events:

- **Thursday, June 27**
  - Welcome Cocktail Reception
- **Friday, June 28**
  - Conference session (Day 1)
  - President's Dinner
- **Saturday, June 29**
  - Conference session (Day 2)
  - Closing Fete

### Conference Fees:

<b>Delegates</b>	<b>US \$595 - Members</b> Members include ICAC member bodies – (regional institutes), associates and affiliates (ACCA, AICPA, ICAEW, CMA, CGA).
	<b>US\$ 650 - Non Members</b>

<b>Spouses</b>	US \$295 – Cost includes participation in all social events
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### Conference Hotel and Accommodation:

A block of rooms has been reserved for June 24, 2013 - July 2, 2013 at the Hilton Barbados Hotel. The special room rate will be available until May 28th or until the group block is sold out, whichever comes first. For reservation visit <http://2013conference.icac.org.jm/accommodation/select-your-hotel/hilton-barbados-resort.html>.

**US \$179 per room per night (single & double occupancy) + 18.75% tax**

**Spouses Programme:**

The 2013 Conference Planning Committee has arranged an exciting, yet relaxing series of activities for the spouses of

delegates attending the 31st Annual Caribbean Conference. These activities include tours of our islands major attractions, sumptuous Caribbean lunch and a shopping trip to Barbados' duty free locations.

**FYI**

## World Congress of Accountants 2014 to be held in Rome

Plans are now in gear for the next World Congress of Accountants which is set to take place November 10-13, 2014 in Rome at the magnificent venue of the Auditorium Parco della Musica, designed by Italian architect Renzo Piano.

The theme chosen, “*2020 Vision: Learning from the Past, Building the Future*” aims at observing the past experiences and developing a new vision for the future.

WCOA 2014 will explore the evolution of the accountancy profession and showcase the innovations that will shape the future of the profession. The event offers a unique opportunity for accountancy professionals to 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 other 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.

For further details, visit [www.wcoa2014rome.com](http://www.wcoa2014rome.com) or contact [info@wcoa2014rome.com](mailto:info@wcoa2014rome.com).

# SHAPING THE FUTURE OF THE ACCOUNTANCY AND FINANCE PROFESSION

ICAEW (Institute of Chartered Accountants in England and Wales) is a professional membership organisation, supporting over 140,000 chartered accountants around the world. Through our technical knowledge, skills and expertise, we provide insight and leadership to the global accountancy and finance profession.

Because of us, people can do business with confidence.



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[icaew.com](http://icaew.com)

## Association of Chartered Certified Accountants (ACCA)

### Challenges Ahead for the Global Public Sector Finance Professional

Introducing ACCA's recently held fourth international public sector conference, *Rebalancing the economy – boosting growth*, Anthony Harbinson, vice president of ACCA said that good economic governance should lie at the heart of public sector finance, alongside consistent, transparent and holistic financial information. Mr. Harbinson added that these issues are particularly important for the public sector due to ongoing global sovereign debt issues and the fluctuations of the world economy, adding that both growth and austerity bring specific challenges. He said that finance professionals working in the public sector play a pivotal role in dealing with the financial challenges faced by public bodies.

### Chief Financial Officers face a future of more risk management and more regulation

Global economic uncertainty and volatility, fluctuating energy prices and turbulent currency markets, along with a shift in economic power, are among the many challenges which Chief Financial Officers (CFOs) will face in the future. The future landscape for the CFO is presented in a new report *The changing role of the CFO* published by ACCA and IMA and gathers together outcomes from discussions with CFOs from roundtables held in Shanghai, New York, Moscow and Zurich in late 2012. The report highlights the emerging priorities which will have an impact on the future role of the CFO and cites nine future key issues shaping the finance function's top job, including more regulation, risk management and technological impacts.

### A New Collaborative Report Explores the Preparedness of the Accounting Profession to Respond to Declining Natural Capital

ACCA, KPMG and Fauna & Flora International have investigated the concept and existing use of materiality in light of the increasing significance of natural capital as a business risk. The ensuing report entitled: *Is natural capital a material issue? An evaluation of the relevance of ecosystem services to accounting professionals and the private sector* is aimed at Chief Financial Officers (CFOs), accountancy professionals and business leaders, as key gatekeepers to corporate strategy, accounting, reporting and disclosure. The report investigates the concept of materiality and how it is used to identify issues for management and disclosure and makes recommendations targeted to this key audience.

## American Institute of Certified Public Accountants (AICPA)

### Former AICPA Chair Olivia Kirtley Elected Deputy President of the International Federation of Accountants

The American Institute of CPAs is pleased to announce that Olivia Kirtley, CPA, CGMA, has been elected to a two-year term as deputy president of the International Federation of Accountants (IFAC). Kirtley is the first female deputy president in IFAC history, as well as the first representative from the business community to serve in that position. Read more: <http://www.aicpa.org/press/pressreleases/2012/pages/olivia-kirtley->

[elected-deputy-president-of-ifac.aspx](http://www.aicpa.org/press/pressreleases/2012/pages/olivia-kirtley-elected-deputy-president-of-ifac.aspx)

### Exposure Draft Released on Financial Reporting Framework for Smaller Private Entities

The AICPA has released an exposure draft of a financial reporting framework for privately owned, for-profit smaller enterprises that are not required to produce GAAP-based financial statements. FAQ available here: <http://www.aicpa.org/InterestAreas/FRC/AccountingFinancialReporting/PCFR/DownloadableDocuments/FRF-SME/AICPA-OCBOA-Project-Fact-Sheet.pdf>

### Online Tool Simplifies Risk Assessment for Financial Statement Audits

ICAC members may be interested in the recently developed AICPA online Audit Risk Assessment Tool. The web-based tool zeroes in on potential problem areas and offers step-by-step guidance: <http://www.aicpa.org/Press/PressReleases/2012/Pages/Online-Tool-Simplifies-Audit-Risk-Assessment.aspx>

## Certified General Accountants Association of Canada (CGA-Canada)

### CGA-Canada Welcomes 2012-13 Board of Directors

The Certified General Accountants Association of Canada (CGA-Canada) is pleased to announce its 2012-2013 Board of Directors, led by its new Chair Patrick Keller, FCGA. "I am honoured to lead the Board of Directors and proud to be a part of an association that is 105 years strong," says Mr. Keller. "As we move into the next year, CGA-Canada will continue to seize growth opportunities, at home and abroad. It will also be bolstering its renowned education and certification program."

Mr. Keller, of Penticton, British Columbia (BC) is an electronic commerce audit specialist with the Canada Revenue Agency (CRA). In addition to his long service to CGA-Canada, he was on the Board of Governors of CGA-BC from 2001-2010, serving as president in 2008. Mr. Keller received the J.M. Macbeth Award of Merit for volunteer service, the CRA Award of Excellence and, most recently, a Life Membership Award from CGA-BC.

Donna Price of Winnipeg, Manitoba assumes the role of Vice Chair. Ms. Price has had an extensive career in both the airline and financial services industries, working with Air Canada and CIBC. Since 1985, Ms. Price has served on several CGA Manitoba committees and was elected president in 1990. She was recognized as one of the 100 CGAs Who Have Made a Difference in 2008, the 100<sup>th</sup> anniversary of the CGA designation.

New board members include: Michael Geiger-Wolf, FCGA; Bruce Hurst, FCGA; and Anita Klassen, FCGA. They will be joining the existing board members Anthony Ariganello, FCGA, Secretary; Dr. Catherine Aczel Boivie, Public Representative; Hilary Becker, CGA; Don Bureaux, CGA; Terry LeBlanc, FCGA, Past Chair; and Rob Stephanson, FCGA.

### Reviewer's Forum brings together accounting professionals from across the country

CGA-Canada hosted its fourth annual Reviewer's Forum in Toronto, Ontario from November 21 to 23, 2012. The two-day event brought together public practitioners from across the country. Forum topics included Compilation and review

engagements, risk management, accounting standards update, and current events within the audit environment.

## **Certified Management Accountants (Canada) & the CMA Caribbean partner**

### **Merger of the Canadian Accounting Profession – Unification Update**

The Canadian Institute of Chartered Accountants (CICA) and The Society of Management Accountants of Canada (CMA Canada) are pleased to announce that Chartered Professional Accountants of Canada (CPA Canada) has been established under the Canada Not-for-profit Corporations Act, effective January 1, 2013.

As Canada's newest national accounting body, CPA Canada will support provincial accounting bodies that have unified, and all those that will unify, under the banner of Chartered Professional Accountant. In addition, a 16-member Board of Directors for the new organization has been established under co-chairs Shelley Brown, FCA and Cassandra Dorrington, FCMA.

The Canadian Institute of Chartered Accountants and certain affiliates of CGA Canada are actively working towards unification.

The vision for the new Chartered Professional Accountant (CPA) in Canada is to be the pre-eminent, internationally recognized Canadian accounting designation and business credential that best protects and serves the public interest. One of the first priorities for CPA Canada is the development of the new CPA certification program that will be in place for delivery in parts of Canada by fall 2013, with the first CPA exams offered in the fall of 2015. Another top priority is the integration of CICA and CMA Canada's operations and employees into CPA Canada.

### **CMA to CPA – Transition Timeline:**

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

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

## **Institute of Chartered Accountants in England and Wales (ICAEW)**

### **ICAEW Joins the International Valuation Standards Council (IVSC):**

IVSC welcomed ICAEW into membership at its AGM in Milan on 27 October 2012. Sir David Tweedie, IVSC Chairman, commented: 'We are delighted that ICAEW, through its Valuation Group, will work with the IVSC not only to improve and promote global valuation standards and guidance but also to help in the development of a robust professional infrastructure to ensure that professional valuers are both obliged to apply the standards and have the training to do so properly.'

### **ICAEW and ICPAC: EU Audit Reform Must Embed International Standards**

ICAEW and the Institute of Certified Public Accountants of Cyprus (ICPAC) hosted a conference in Nicosia to facilitate an in-depth exchange on views of EU audit developments, based on the audit reforms proposals published by the European Commission in November 2011. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2012-press-releases/eu-audit-reform-must-embed-international-standards-say-icaew-and-icpac>

The ICAEW joins the 78 other members of the IVSC who together represent 56 countries. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2012-press-releases/icaew-joins-ivsc>

### **ICAEW Praises European Anti-Money Laundering Proposals**

ICAEW has welcomed new anti-money laundering proposals from the European Commission which are designed to ensure compatibility with recently revised international standards. The proposals:

- clarify existing requirements, with simplification of language and improved definitions;
- extend the risk based approach further and more consistently, with more guidance; and
- extend the requirements to all gambling businesses (not just casinos) and to letting agents (as well as other estate agents). <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/ec-anti-money-laundering-proposals-will-help-consistency>

### **Accounting and Sustaining Natural Capital**

ICAEW, Accounting for Sustainability, the Global Reporting Initiative and the World Bank, among others, have launched *The Economics of Ecosystems and Biodiversity (TEEB) for Business Coalition*. The Coalition focuses on natural capital – the resources and ecosystems on which many businesses rely - and how business can maintain natural capital in the long term to ensure that both the business and nature survive. Its recent report, 'Organisational Change for Natural Capital Management: Strategy and Implementation', explores a model for organisational change based on the practices of 26 pioneering companies. <http://www.teebforbusiness.org/how/organizational-change-for-natural-capital-management-strategy-and-implementation.html>

# WHY SHOULD FINANCE BE MORE ACCOUNTABLE?



At ACCA, public value is at the heart of what we do. We educate and train our members to be accountable and work with integrity. Our members help to deliver value to business and society.

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## Sustainability: Challenges and Opportunities for SMPs and SMEs

Small-and medium-sized entities (SMEs) might think that sustainability is only relevant to large companies. Maybe they think they cannot afford to be sustainable, that measuring and managing environmental performance amount to a costly and unnecessary burden. Moreover their accountants, both those employed by the business (accountants in business) and those providing services to the business (accountants in practice), will tell you it is a hard sell getting SMEs to embrace sustainability. However, SMEs that integrate sustainability into their core business strategy can benefit from lower costs, reduced risk, and new opportunities. And their accountants, typically operating in small- and medium-sized practices (SMPs), can play a key role in their journey.

### SMEs and the Benefits of Sustainability

SMEs are crucially important to the health and stability of the global economy: they account for over 95% of all businesses and for the majority of private sector gross domestic product (GDP), wealth and employment creation, and social and environmental impacts. Meanwhile, there is immense pressure on the natural environment and recognition that finite resources are fast being depleted. Today, SMEs are increasingly being faced with pressure to measure and manage their impact on the environment. They are an integral part of the supply chain where there is a growing demand for sustainability management both from customers and suppliers, especially for those SMEs seeking to secure contracts with governments or larger companies. SMEs also need to ensure they have access to the resources they need to be able to continue to offer their products and services in the future.

That said, many SMEs may still feel they can delay addressing sustainability issues. Our global SMP poll indicates there are other more urgent issues preoccupying businesses, including economic concerns and keeping up with new standards, prompting sustainability to slide down their list of priorities. This may explain why few SMPs are presently offering sustainability services. But in the longer term, the sustainability issue is here to stay.

The good news is that there is growing evidence that sustainability initiatives, such as those to reduce an SME's carbon footprint, can also help improve their bottom line. SMEs of all shapes and sizes—for profits and not-for-profits, public or private, across all industrial sectors—stand to yield significant benefits from adopting sustainable business practices. The initial cost of integrating sustainability into the core business strategy, and reporting on it, can be more than offset by cost savings, reduced risk, positive brand association, and the ability to meet consumer, investor, and supplier demand for environmentally conscientious products and services. In this way, the initial cost is more an investment.

### Opportunities for SMPs

Accountants working in SMEs can help their employers at each step of the way, from advising on the costs/benefits of behavioral changes aimed at reducing waste, to investment in new equipment and alternate sources of energy, to developing a comprehensive environmental management system (EMS). However, many SMEs lack the capability to do this without outside help. They will likely seek the help of someone they trust, their accounting firm, a demand that can generate new revenue opportunities for SMPs. But first, SMEs need to know that they can expect assistance of this nature from their accountants.

Given that SMEs are keen to realize the financial benefits of adopting more sustainable practices, a starting point for SMPs might be to offer to help their clients implement the plan-do-check-act method for the control and continuous improvement of processes and products. This advisory service could include improving business opportunities and creating efficiencies, identifying the risks to cash flow that social, economic, and environmental

change will present, and ensuring that clients or employers take advantage of the cost reductions, minimize any cost increases, and maximize the potential revenue by adopting business strategies that identify and address those sustainability issues that are most relevant to their particular business circumstances. In addition, SMPs might wish to encourage their SME clients or employers to have an EnviroReady Report, an engagement based on ISRS 4400 that confirms that the business has an environmental management system (EMS) in place that meets the requirements in ISO 14001:2004.

Some accountants might also help SMEs do some form of sustainability reporting, such as the Global Reporting Initiative's Level C. They could employ a step-by-step approach of making a public commitment to take action, assessing the business's impact, setting targets for reducing impact, acting to reduce impact, and publishing the business's policies and actions. Some SMPs are already helping their clients to develop metrics and the systems needed to capture and report on the metrics. If reporting is deemed valuable, SMPs could progressively do more, culminating in getting some form of assurance on what the client/employer reports, perhaps using the IAASB's ISAE 3000 series of engagement standards, such as ISAE 3410 for greenhouse gas emissions.

### Initial Steps in Offering a Sustainability Service

An ACCA report suggests that SMPs take the following steps to ensure they have the requisite expertise to offer a sustainability service:

1. Build partnerships—SMPs should establish collaboration with local environmental sustainability experts in order to gain local access to credible knowledge.
2. Gain experience—This begins in the SMP's own business. Practitioners should review the environmental sustainability of their own business and then use that valuable experience to have rounded, relevant conversations, based on genuine experience, with their clients.
3. Seek information—Practitioners should familiarize themselves with information sources that they could recommend to others or use to broaden their own knowledge.
4. Formalize commitment—Where appropriate, practitioners should formalize their commitment to offering environmental sustainability advice through marketing and awareness raising in newsletters, their documentation, and website.

Ultimately, offering a sustainability service can help SMPs both add value to the services they offer and help their clients/employers improve the way they run their businesses. Applying the same principles to the practice itself can help accountants improve the way they run their own businesses as well.

### IFAC Resources

[Good Practice Checklist for Small Business \(this now includes a separate section on environmental management on page 20\)](#)

[IFAC Sustainability Framework 2.0](#)

To access additional SMP resources (all free of charge) visit the SMP area of the IFAC website [www.ifac.org/SMP](http://www.ifac.org/SMP).

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# Doing More with Less: Why Accountants Need to Measure and Report on Sustainability Efforts

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## Introduction

*I am not a tree hugger or a wild-eyed environmentalist. My idea of communing with nature is eighteen holes of golf on meticulously maintained fairways, greens and unfortunately too often rough, bunkers and hazards. However, I have been thinking about what kind of world we will leave to our children, grandchildren and great grandchildren and what we, as accountants, can do to preserve and enhance our companies and world, our only true lasting legacy.*

## Efficiencies Mean Lower Costs

*Why should accountants think about sustainability?* I believe sustainability efforts will increase company profits by encouraging our organizations to be more efficient; *doing more with less*. Less waste means not only less pollution but also less cost.

## Accountants Need to Measure and Report

Accountants are ideally suited to *measure* sustainability efforts because we collect and analyze our organizations' information. Accountants should lead efforts to *report* on sustainability because we have the experience and knowledge to create clear, concise and informative documents.

## What is Sustainability?

*Sustainability* means different things to different people. One major impediment to engaging organizations in serious sustainability discussions is lack of a common vocabulary. A CEO may hear a proposal to spend money appeasing "treehuggers", while her CFO may really be proposing an initiative to reduce wasteful spending.

A commonly accepted definition of sustainability *comes* from a 1987 report by the World Commission on Environment and Development (WCED). The United Nations convened the WCED to address growing concerns about the accelerating deterioration of the human environment and natural resources. The report, commonly referred to as the Brundtland Report, defines *sustainable development* as:

"development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

## Doing More with Less

Successful companies in the 21<sup>st</sup> century will be more efficient. Companies responded to the 2008 global recession with dramatic workforce reductions and ruthless cost cutting. In a resource constrained world, efficient use of all resources is mandatory. More efficient business processes result in fewer resources used, including energy, water, and raw materials. More efficient resource usage also results in less waste, including air and water pollution and solid waste.

Howard Brown, founder of dMASS, a consulting firm dedicated

to reducing waste, often says that nothing goes out the back end that did not come in the front end. Companies first purchase the contaminants and pollutants they emit and their inefficient use not only costs society, it costs the company. Reducing waste and pollutants not only benefits the environment, it also financially benefits the company.

Forward-thinking businesses are now reducing all wastes, even non-toxic or non-polluting waste. Current efforts include reducing excess materials, reusing materials if possible, and recycling non-reusable materials.

While these efforts are laudable, they will not lead to truly sustainable prosperity for an individual business nor society as a whole. In particular, while recycling is important, it is only part of the solution to environmental or resource problems. Improper or inefficient recycling can be energy intensive, expensive, and may even create more waste.

Accepting the idea that your product is mostly waste might not be easy at first. After all, you have customers who buy your product. Customers are not really paying you money because they love your product. They want the benefits they get from using your product. If they can get those benefits more cheaply, with less environmental impact, and with some cool but completely new delivery method, they will do it.

So where is this drive for efficiency headed? Eventually, someone will find a way to deliver the same benefits that existing products do, but with much less resource mass and energy usage. They will be able to serve customers in a more sustainable manner for less money.

Your company is at risk from game-changing innovations from a fast moving competitor or a start-up not even presently on your industry's radar screen. The way to avoid a crisis then is to start now down the path of doing more with less.

## Measuring Sustainable Practices

### *The Measurement Dilemma*

Shareholders, board members, and senior management may understand that sustainability is "good", and they may even believe that it is "good business". However, until we adequately measure and quantify the return on sustainable investments in terms of time and money, many businesses will not fully embrace sustainability efforts.

### *Accounting for Externalities*

Accounting for externalities may be the greatest sustainability accounting challenge. An *externality* is the benefit or cost to third parties of an organization's action, but not accounted for by the organization. Externalities can be positive or negative.

For example, a famous chef opening a new restaurant in a troubled neighborhood may create a halo effect, attracting more restaurants, art galleries and theaters to the neighborhood. The

additional evening traffic reduces crime by having more people on the streets. Lower crime and attracting new hip businesses increase the neighborhood's desirability for both residents and businesses, increasing property values. Property owners, both commercial and residential, benefit from a positive externality created by the chef and her restaurant.

Most sustainability discussions focus on negative externalities. Instances of air and water pollution are externalities that at one time had no cost. Legislation mandating limits on air and water emissions and imposing fines and penalties transformed these externalities into expenses. Much of sustainability accounting attempts to measure and quantify other externalities, such as greenhouse gas emission, labor abuses, or excess water or energy usage.

Traditional business theory assumes that as production increases, per unit cost goes down. Negative externalities (waste, pollution, labor abuses, etc.) *increase as production increases*, so the old theories about cost reductions from mass production may need reconsideration.

## Reporting

### Internal Reporting

Goals, objectives, and users' needs should guide internal sustainability reporting. Reports need to be timely, consistent, and actionable. As the information keeper, an accounting department wields great power in sustainability efforts. However, simply having information provides no value to the organization. Collect and disseminate information on a regularly scheduled basis.

We have the responsibility to report all information -- good and bad. Provide bad news on sustainability efforts quickly to those who can act on it. Unless the information has significant financial implications, distribution to others can be slower and follow appropriate review and consideration of ameliorating actions. Verify good news but get it out to everyone quickly. Even small wins in the beginning stages of a sustainability effort are energizing.

### External Reporting

According to the Global Reporting Initiative (GRI), an international nonprofit organization encouraging sustainability reporting and providing reporting guidance, 95% percent of the 250 largest companies in the world reported on corporate responsibility (sustainability) activities. Reporting on your organization's sustainability efforts requires you to answer two questions:

- Why are you reporting?
- Who are your intended readers?

Most preparers provide reports because they want to improve processes, describe achievements and communicate with stakeholders. Report types vary considerably; however, GRI guidelines are providing more uniformity.

Determine your report's primary users at the onset. If your goal is to meet a supplier's mandated performance level, your report will conform to their requirements. If you believe your sustainability efforts will provide a positive differentiator with consumers, your reports should be attractive, easy to understand, and generally user-friendly. Initial reports do not need to be complex or comprehensive.

Determine what you want to include in a report. Sustainability efforts are multi-faceted and no requirement exists to report all efforts. Reporting only successes leaves no room for improvement. Readers may understand the difficulty of many of your goals and appreciate measuring effort as much as measuring results. Determining what to include ultimately comes down to what your readers care about.

Reports must be verifiable. Some companies provide third-party assurances on their sustainability reports and more large companies now consider using large accounting firms or other consultants to give their reports credibility. Requirements for "audits" similar to public company financial statement audits are a long way off and will probably never be required, but prepare auditable disclosures.

## Summary

Sustainability means many things to many different people, but at its core sustainability means building a lasting organization as part of a lasting planet. Sustainability is about long-term thinking.

Sustainability also means doing more with less. In an ever more resource-constrained world, doing more with less will not only save money, it will help ensure your organization's continued existence.

No sustainability effort succeeds without measuring progress. While measuring some sustainability efforts are hard, without objective and verifiable information, progress is impossible.

Information is useless unless others have it and can act on it. Internal reporting on sustainability is necessary, and external report is becoming more commonplace. Think about why you want to communicate, what you want to communicate, to whom you want to communicate, and how you want to communicate.

Finally, we need the conviction and courage to get our sustainability ACT together.

- **Awareness** that sustainability is required and opportunities to create and improve our organization's sustainability efforts are all around us
- **Commitment** to building a lasting organization as part of a lasting world, and
- **Transparency** in everything we do, measure, and report.

We all have the opportunity to make a difference. Our actions today will define not only our tomorrows, but also our children's, grandchildren's and all future generations.

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## The Bahamas Institute of Chartered Accountants

### Practice Monitoring

Practice monitoring is set to be implemented in The Bahamas in 2013. In an effort to enhance the knowledge of members in this regard, an article was published in the quarterly newsletter of the Bahamas Institute of Chartered Accountant (BICA) entitled, *Practice Monitoring: A Comprehensive Overview*.

On February 12 & 13, 2013, BICA held an Audit Workshop to assist in preparing licensees for practice monitoring. The presenter was Anthony Pierre, partner at Deloitte & Touche (Trinidad & Tobago) and Secretary on the ICAC Board of Directors.

### Continuing Professional Education Seminars

On December 12, 2012 the Institute partnered with the Association of Certified Fraud Examiners – Bahamas Chapter (ACFE) to co-sponsor a seminar on *Fraud, Ethics & Compliance*. The speakers included Reece Chipman, 2<sup>nd</sup> Vice President of BICA.

### Contribution to National Development

BICA met with the Minister of Foreign Affairs as well as the Directors of Immigration and Labour and based on discussions, the Institute will be notified when there are work permit applications to fill positions that require the skills and expertise of qualified accountants. To this end, BICA is collaborating with the relevant ministries to develop a process that will ensure that it is included during the labour certificate processing phase that are accounting related. BICA's role at this stage is primarily consultative.

In its continued engagement to ensure the regulatory landscape meets best practices and standards, BICA paid a courtesy call on the Securities Commission of The Bahamas (SCB/the Commission). The meeting was held at the offices

of the SCB on January 24, 2013. A key area of focus was BICA's implementation of a practice monitoring/peer review programme.

BICA also met with the Compliance Commission on February 20, 2013 to discuss their new application process for agents acting on behalf of the Commission. The Compliance Commission welcomed the discussions with BICA representatives and encouraged an annual meeting.

Darnell Osborne, BICA council member, was appointed to represent the Institute on the Insurance Advisory Committee of the Insurance Commission of The Bahamas, which is responsible for the prudential regulation of all insurance activity in or through the Bahamas. It is concerned with the ongoing monitoring and control of insurers, agents, brokers, underwriting managers and external insurers.

Maria Ferere, BICA member, was appointed to the legislatively mandated Liquidation Rules Committee. The Committee's role is to ensure that proper guidelines are developed to support the Insolvency Legislation in The Bahamas.

### Student Development

Three members of BICA's student mentoring programme, the YACHT Club, were nominated for the Bahamas Financial Services Board Student of the Year Award. BBA Accounting student and member of the YACHT Club, Aldeka B. King won the award.

BICA has completed the update of its booklet, "*How to Become a Professional Accountant*," which is scheduled for publication in 2013. It seeks to act as an educational resource for local aspiring students who want to obtain a professional accounting designation.

## Institute of Chartered Accountants of Barbados

### Policy Advocacy

The Institute of Chartered Accountants of Barbados (ICAB) sent a congratulatory message to the recently elected Government of Barbados who was returned to office for a second term, following general elections on February 21, 2013. ICAB pledged to continue to work with the Government on matters of national interest.

### Social Partnership

ICAB participated in a meeting of the Social Partnership on November 19, 2012, as part of the private sector delegation. Chaired by the Prime Minister of Barbados, the meeting focused on the island's economy and featured presentations from the Central Bank and the Ministry of Finance. It was attended by delegations from the Government, Private Sector and Trades Unions.

### Barbados Entrepreneurship Foundation (BEF)

Several ICAB members have volunteered to be mentors in the BEF mentorship programme which was launched on October 25, 2012. The programme uses a website to link entrepreneurs with mentors.

### Accountants' Week 2012

Accountants' Week 2012 was celebrated in Barbados during the period November 4-10, 2012. ICAB and the accounting profession received positive exposure through coverage by the print and electronic media of the various activities. Arising from the Annual Conference, the Prime Minister, ICAB's President and the various presenters made important contributions to public debate on several issues including: financing university education, economic

development, alternative energy, personal productivity, public sector reform, and corporate strategy.

A free public discussion was held at the Savannah Hotel on the topic, *Unlocking the Potential of the Public Service – Reforms for the 21<sup>st</sup> Century*. The panelists were David Ellis, Moderator; Melanie Jones, Partner at LEX Caribbean and President of BIBA; Teresa Marshall, Retired Permanent Secretary of Ministry of Foreign Affairs; David Simpson, President of ICAB, Peter Wickham, Political Scientist & Director of CADRES; Ryan Straughn, President of the Barbados Economics Society (BES).

### CPD Activities

During the period November 2012 – February 2013, ICAB hosted the following CPD activities:

- ICAB's Annual Conference was held on November 9, 2012 under the theme, *Unlocking Potential – Converting Ideas into Reality*, at the Hilton Hotel. The Prime Minister of Barbados, Hon. Freundel Stuart, QC, MP delivered the feature address.
- A free CPD session for members was held on December 6, 2012 at the Hilton Hotel. The seminar topic was *Recent Changes in Barbados Labour Laws – What Finance Professionals Need to Know*, and the presenter was Sheena Mayers, Industrial Relations Officer at the Barbados Employers' Confederation.
- An IBFD workshop on *International Tax Treaties* was held January 16-18, 2013 at the Accra Hotel.
- A CPD seminar on *Financing and Administering Pension Plans* was held at the Hilton Hotel January 18, 2013.

- A Practice Monitoring Workshop was held on January 25, 2013 and the annual *Tax Update* seminar was held on February 13, 2013 at the Hilton Hotel.

- ICAB facilitated an *Anti-Money Laundering Workshop* on February 19, 2013 at the Hilton Hotel, on behalf of ACCA.

### Membership

During the month of February seven (7) new members were admitted to ICAB and one member was awarded a Practising Certificate.

### Students Professional Development Workshop

A students' professional development workshop entitled, *Building a Career Development Plan*, was held on November 7, 2012 at the Savannah Hotel. The workshop targeted persons pursuing studies leading to a Chartered Accountant designation. The presenter was Cheryl Gittens, a Life and Executive Performance Coach.

### ICAC 2013 Caribbean Conference

The ICAC 2013 Planning Committee has been hosting monthly meetings to plan the ICAC conference to be held in Barbados in June. The Committee Chairman made a presentation to the ICAC Board of Directors at its meeting held in Barbados on February 9, 2013. The conference website was launched and online registration commenced in February.

### Member Recognition Ceremony

Membership certificates were presented to 29 new members, Fellowship certificates to 41 members and Practising certificates to three members at a ceremony held on December 6, 2012 at the Hilton Hotel. This was followed by the Annual Xmas Cocktail Reception.

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## Institute of Chartered Accountants of Belize

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### Institutional Strengthening

A special meeting and networking event was held on December 13, 2012 to update members on the progress of the Bye-Laws revision exercise. The Legal and Tax Committee subsequently completed the revisions to the Bye-laws and a submission was made to the Council for final review. The revised Bye-laws will be presented

to the membership at the Annual General Meeting to be held in May 2013.

### Continuing Professional Development

The CPD Committee is organizing a series of seminars to be held in 2013.

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## Institute of Chartered Accountants of the Eastern Caribbean

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### Audit training workshop

On November 14, 2012 the ICAC organized a workshop in St. Lucia for Audit practitioners, accountants in private practice and accountants considering application for private practice in the Eastern Caribbean. The training was also opened to Internal Auditors and non-audit practitioners.

The workshop focused on ISQC1, Quality Control for firms that perform audits and reviews of financial statements and other assurance and related services engagements (basis upon which practice reviewers assess firms) and an assessment of detailed work on audit files, etc.

A similar workshop was held in Antigua on November 15.

### CPD Workshop for Business Professionals

In an effort to improve the skills of members and the business community at large, the ICAEC – Grenada branch hosted an Excel workshop for business professionals in October 2012. The workshop introduced participants to different methods of using Excel in the accounting and business environment, including exporting clients' information from Quickbooks to Excel formats, pivot tables and spreadsheet formulas.

## Institute of Chartered Accountants of Guyana

### Practice Monitoring

The second cycle of practice reviews concluded in December 2012 in accordance with the contract for audit monitoring services entered into by the Institute of Chartered Accountants of Guyana with the Association of Chartered Certified Accountants, pursuant to the objective of maintaining the highest standards of auditing among its member firms.

ICAG collaborated with the Private Sector Commission of Guyana to conduct a sensitization meeting for members of the business community and the media on the objectives, structure and benefits of the practice monitoring programme. It was an engaging session that generated greater appreciation of the programme on the part of corporate Guyana.

A Regulatory Committee comprising three individuals - two non-practising members and an attorney – continued to receive and review the reports from ACCA. The Committee has received reports of the firms visited during the two cycles. On conclusion of the review, the Committee will make recommendations to the ICAG Council.

### Support to Financial Regulators

ICAG continued to actively support the work of the financial sector regulators in Guyana during the period. Support was given to the Bank of Guyana as it finalized the publication of a new regulation for licensed financial institutions aimed at public disclosure of

information. The Bank's effort towards this regulation started some years ago and has been supported by ICAG and the Guyana Association of Bankers. A tripartite working group was established for this purpose.

In addition, ICAG is presently supporting the work of the Commissioner of Insurance as new insurance legislation is being considered.

### Student Members

At the end of the year the ICAG student register comprised 2,795 students pursuing professional examinations.

With the conclusion of the December 2012 examinations, 31 students successfully completed the ACCA final examinations.

As accounting continues to be a popular profession for aspiring students in Guyana, an increasing number of students have been utilizing the services offered by the Institute. During the period, a total of 248 applications were processed which included first-time registration, re-registration and subscription payments for both CAT and ACCA students.

### Membership

During the period seven persons were admitted to membership bringing the total number of members of the Institute to 79.

## Institute of Chartered Accountants of Jamaica

### ICAJ/JIPO Conference

The Institute of Chartered Accountants of Jamaica (ICAJ) and the Jamaica Intellectual Property Office (JIPO) hosted a conference on 'Creating Wealth: Knowing Your Worth' on November 8, 2012 at the Jamaica Conference Centre. The conference encouraged the participants to become more inventive and creative in developing products and new technologies, and charting a strategic path to maximize innate talents, whether in sports, music or brand development, to create wealth. The conference also spoke to the importance of registering intellectual property.

### Continuing Professional Development Seminars

An International Financial Reporting Standards (IFRS) workshop was held on February 1 and 2, 2013. Topics discussed were IAS 19, Employee Benefits (Amendment), Income Taxes, IFRS 13, Fair Value Measurement and Proposed New Leasing Standard. The workshop was facilitated by local presenters.

On December 8, 2012, the Public Accountancy Board and the ICAJ hosted a seminar on *Lessons from the Practice Monitoring Programme for Accountants in Jamaica* on December 8, 2012 at the Jamaica Pegasus Hotel. Papers presented were *Monitoring Programmes - A Multi-jurisdictional Review*, *Findings from ACCA/PAB Practice Monitoring Reviews and General Information on the Progress of the Programme* and *The Importance of Engagement Letters*. The facilitators included Nadine Forrest-Allen, Senior Practice Reviewer, ACCA; Eric Scott, member, Public Accountancy Board and member of the ICAJ Continuing

Professional Development (CPD) Committee, where he serves as Vice-Chair, and C. Patricia Hayle, member, Public Accountancy Board/Practitioner, CPH Consulting,

### Public Forum

A public forum on the 'Revisions to IAS 19 Employee Benefits' was held on November 29, 2012, at the ICAJ Secretariat. The presenter, Phillip Whittaker, Partner, Eckler Partners (Consultants & Actuaries) provided participants with an understanding of the new components of Defined Benefit Cost & Measurement (Discount rate) Implications. Alok Jain, Chairman, Accounting Standards Committee, ICAJ, gave a brief introduction to IAS 19 and areas of improvement.



(L-R) Vintoria Bernard, President, ICAJ, Glossie Stone, Chairman, Continuing Professional Development Committee, ICAJ, Gerard Johnson, General Manager, Caribbean

Country Department, Inter-American Development Bank, and Thomas W. Wilson, Principal, Economic and Valuation Services Practice, KPMG, Dallas enjoy a conversation at the ICAJ/JIPO Conference.

### Annual Awards Banquet

The Institute held its Annual Awards Banquet on December 6, 2012 at the Jamaica Pegasus Hotel, in Kingston. Denis Paul Goldson, FCA, FCCA, MSc, Managing Partner of Paul Goldson and Company, Chartered Accountants, received the Institute's most prestigious honour, the ICAJ Distinguished Member Award.

The award is presented to an ICAJ member who has contributed, through his/her achievements, to the prestige and status of the Institute and has made significant contributions to the development of the Accountancy profession.

Approximately 500 persons attended including the Minister of Finance and Planning, Dr. the Honourable Peter Phillips, Representatives of the South African High Commission, prominent members of the accountancy profession, private and public sector representatives, along with regulators and other stakeholders, locally and from abroad.



Denis P. A. Goldson (right) receives the 2012 ICAJ Distinguished Member Award from Dr. the Hon. Peter Phillips, Minister of Finance and Planning

### Anniversary Church Services

In January 2013, ICAJ commemorated its 48<sup>th</sup> Anniversary with two church services – one in Kingston and the other in Montego Bay. ICAJ was hosted in Kingston by the Temple of Light Centre for Spiritual Living on January 20, and by the Calvary Baptist Church in Montego Bay, on January 6.

### ICAJ Writers' Club

The ICAJ Writers' Club held its first meeting for 2013 on February 7 at the ICAJ Secretariat. The guest presenter, Lavern Clarke, Business Editor at the Gleaner provided invaluable advice and tips on how to develop and improve writing skills, particularly, for newspapers.

The ICAJ Writers' Club seeks to encourage writing and facilitate and share ideas for articles for publication in the media by both new and published writers. Club membership is open to:

- All Members of ICAJ
- ACCA Members
- Jamaican Registered Public Accountants who are not ICAJ members
- Members of the Institute of Chartered Accountants of the Caribbean
- CGAs, CPAs, CMAs
- MSc (Accounting), UWI, Mona students and graduates
- Students and graduates of the ICAJ/ACCA Joint Scheme examinations

- All other accountants, by invitation only
- Members of the public, by invitation only

### Toastmasters Club

The ICAJ Toastmasters Club marked its first anniversary on March 15, 2013. A celebratory event was held on March 23. Since 2012, the club has been dedicated to helping accountants become better speakers and leaders. Chartered with 35 members on November 15, 2012, the Toastmasters Club is located in District 81 and meets every Thursday except, first Thursdays, at the ICAJ Secretariat.

### Student Development

ICAJ in its continuing effort to provide local accounting students with relevant information concerning their courses of study hosted a Students' Rap Session on January 5 in Montego Bay. The Institute aims to motivate students to excel in their examinations and to encourage them to share their views on any matter pertaining to their studies or the Institute. Presentations were made by members of the Student Affairs Committee.

The ICAJ hosted a professional development workshop on January 15, 2013 in Kingston. Students received valuable advice on preparing winning resumes, how to ensure a successful interview and also regarding attire. The presenter was Dawn Ebanks, Director Finance, Human Resources Management and Institutional Strengthening at Management Institute for National Development (MIND).

### Career Exposition

ICAJ copped the Best Booth Award at the University of the West Indies (Mona) Annual Career Exposition held on February 27 and March 1, 2013, under the theme: "*Career Development - A Multi-Dimensional Approach.*" One of the largest outreach programmes of the university, providing valuable career information and guidance, the Expo, enabled the ICAJ to showcase its operations to students of the university and approximately 60 educational institutions islandwide, and the opportunities that await them in the Accountancy profession.

### Appointments



Pamela Monroe Ellis

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

A Fellow of the ICAJ, Mrs. Monroe Ellis currently serves as Chairman of the Institute's Investigations Committee, and a member of the Public Sector and Audit Practice Committees. Bruce Scott, Council Member of ICAJ and Chairman of its Membership Committee, has been appointed by ICAJ to serve as Technical Advisor to Mrs. Monroe Ellis in her new role.

## Institute of Chartered Accountants of Trinidad & Tobago

### Stakeholder Focus

#### Visit to IFAC's Headquarters in New York

Subert Gilbert, General Manager of Institute of Chartered Accountants of Trinidad & Tobago (ICATT) visited the headquarters of the International Federation of Accountants in New York on November 20, 2012, where he met with Szymon Radziszewicz, Senior Manager, Body Development Team Leader and Martha Russell, Technical Manager, Member Body Development. The major topic of discussion was capacity building to assist with the development of the ICATT.

### Social Initiatives

In 2013, ICATT continued its series of events aimed at engaging staff, members and stakeholders. These initiatives included an After Work Lime; an All Inclusive Boat Ride and an Inter-School's Cricket Competition which was won by Omardeen School of Accounting.

### Continuing Professional Development

On November 29, 2012, ICATT wrapped up its CPD events for the year with a workshop entitled, *A Practical Approach to the Presentation of Financial Statements*. The workshop focussed on IAS 1 – Presentation of Financial Statements; IAS 16 – Property Plant and Equipment; IAS 2 – Inventories as well as various other IFRS.

During the first quarter of 2013, ICATT hosted a successful *Business Etiquette for Financial Professionals* workshop, facilitated by Janice Learmond-Criqui, a Professional Life Coach and Motivational Speaker. The workshop covered a wide range of topics including: *Meeting and Board Room Protocol, Business Attire and Professionalism and Cultural Differences and their effects on Business Etiquette*.

In February 2013, ICATT hosted a successful Petroleum Taxation seminar which focused on an analysis of the issues in the oil and gas sector. The seminar was held at the Capital Plaza in Port of Spain and featured speakers addressing critical topics such as *Transparency and Accountability in the Reporting of Petroleum Revenues; Energy Taxation Regime and World Energy Trends*.

In March 2013, ICATT hosted its annual two-day taxation workshop facilitated by Rupert Gooding, Chartered Accountant, Tax Consultant and Attorney at Law. The workshop was held in both North and South Trinidad.

### Recognition Ceremony

ICATT in conjunction with ACCA hosted a recognition ceremony for successful candidates who completed the ACCA Professional Scheme and Accounting Technician qualification. The ceremony was held on November 20, 2012 at which successful candidates and top performers of the December 2011 and June 2012 examinations were honored.

### Staff Appreciation and Christmas Dinner

In December, ICATT held its Annual Staff Appreciation and Christmas Dinner. The event featured a local parang band which provided entertainment. Council and Committee Members were present at this function and Ms. Tricia Mayers-Ashby was

selected Employee of the Year 2012.

### Membership

For the period, September to December 2012, ICATT recorded a further growth of 22 new members and two Members in Practice. For the period of January to March 2013, 15 new members were welcomed into the membership of the Institute.

On November 28, 2012, ICATT hosted the Annual Cocktail Reception and Networking Event for new members. The reception was held in South Trinidad.

The Institute continues to engage with its members through seminar evaluations in an effort to effectively meet the needs of its members.

### Annual General Meeting and Members Induction Ceremony

ICATT hosted its 43<sup>rd</sup> Annual General Meeting on March 27, 2013 at the Courtyard by Marriott, Invaders Bay in Port-of-Spain at which seven members were re-elected/elected to Council.

Derek Mohammed was re-elected as President and Jennifer Frederick was elected Vice President for the 2013/2014 term. The Council members for the 2013/2014 period are:

- Derek Mohammed, CA, FCMA, CGMA – **President**
- Jennifer Frederick, BSc., CA, FCCA – **Vice President**
- Anthony Pierre, CA, FCCA, CFC – **Past President**
- Sean Ramirez, CA, FCCA, ACIB
- Kyle Rudden, CA, FIA, FSA, FCCA, ACAS, ACIB
- Rudranand Maharaj, CA, FCCA
- Marlene Murray, BSc., MSc., CA, CFA
- Nicole Joseph, FCCA
- Mohan Mahabir – Singh, BSc., CA, FCA
- Roselyn Ramdin – Doobraj, CA, FCCA
- Camille Cumberbatch-Dhoray, MBA, CFE, CA, FCCA
- Pria Narinesingh, FCCA, CA
- Leslie Nelson, FCMA, CA, MBA, FLMI

Following the AGM, a cocktail reception was held for members.

### Operational Updates

Continuous update to the Institute's website is being undertaken. ICATT is presently working with Scotiabank to re-introduce e-payment facilities via the Institute's website.

The HRM consultant concluded the review, report, and redesign of ICATT's Human Resource Management systems, policies and procedures. Recommendations to enhance the efficiency and effectiveness of the Institute have been presented to ICATT.

# REGIONAL CALENDAR OF EVENTS 2013

## JANUARY

January 16-18, 2013 Tax Treaties Workshop – Accra Beach  
 January 18, 2013 Financing & Administering Pensions – Hilton Barbados  
 January 25, 2013 Practice Monitoring Workshop – Hilton Barbados

## FEBRUARY

February 1-2, 2013 Annual ICAJ Workshop on IFRS – ICAJ Secretariat  
 February 9, 2013 65<sup>th</sup> ICAC Board of Directors Meeting – Hilton Barbados  
 February 13, 2013 Tax Update - Hilton Barbados

## MARCH

March 6, 2013 Microsoft Excel Workshop – BIMAP  
 March 13, 2013 Microsoft Excel Workshop – BIMAP  
 March 23, 2013 Forensic Accounting – ICAJ Secretariat

## APRIL

April 10, 2013 Presentation Skills – Accra  
 April 11, 2013 Corruption Issues – Knutsford Court Hotel  
 April 17-18, 2013 Taxation Seminar - Arthur Lok Jack  
 April 18, 2013 Microsoft Access Workshop – BIMAP  
 April 19, 2013 Audit and Integrity – Maximising Stakeholder Value – Knutsford Court Hotel  
 April 22, 2013 Members Meeting – Coyaba Beach Resort  
 April 23, 2013 ACCA/ICATT Audit Roundtable Breakfast meeting - Trinidad Hilton & Conference Centre  
 April 27, 2013 Forensic Accounting – ICAJ Secretariat

## MAY

May 1, 2013 Effective Corporate Governance in the Public Sector – Jamaica Conference Centre  
 May 7, 2013 Practice Management, Risk Management, Quality Control - Hilton Barbados  
 May 8, 2013 Taxation – Jamaica Pegasus Hotel  
 May 8, 2013 Valuation of Companies and Business Units; IAS 39; IFRS 9 & 13 - Trinidad Hilton  
 May 14-15, 2013 ICATT in collaboration with GES (Global Expert Systems) presents Caribbean Conference on Business Forensics, 2013 - Capital Plaza Hotel  
 May 15, 2013 Ethics Workshop - Savannah Hotel  
 May 21, 2013 Driving Business Performance through Internal Audit – Knutsford Court Hotel  
 May 22, 2013 IIA/ICAJ Forum - TBA  
 May 30, 2013 Free CPD Presentation following the ICAB Annual General Meeting - Hilton Barbados  
 May 2013 FATCA & Taxation Seminar - Bahamas  
 May 2013 IFRS for SME's training seminar  
 May 27 -28, 2013 Operations Manual Dissemination Workshop –Sir Cecil Jacob Auditorium, St. Kitts  
 May 29-31, 2013 Quality Assurance Workshop (ISQC1 Training Workshop) – Sir Cecil Jacob Auditorium, St. Kitts

## JUNE

June 18, 2013 Financial Reporting for Non- Government Organizations - Arthur Lok Jack  
 June 25, 2013 ICAC's Regional CEO's Forum - Hilton Barbados  
 June 26, 2013 ICAC/IFAC Regional PAO Meeting - Hilton Barbados  
 June 27, 2013 ICAC's 66<sup>th</sup> Board Meeting - Hilton Barbados  
 June 27, 2013 ICAC's 25<sup>th</sup> Annual General Meeting - Hilton Barbados  
 June 27-29, 2013 Institute of Chartered Accountants of the Caribbean (ICAC) 31<sup>st</sup> Annual Conference Barbados – Hilton Barbados  
 June 2013 Standard Setter Conference (SSC) – Hilton Bahamas

## JULY

July 11, 2013 Review of the Insurance Act - Capital Plaza  
 July 18, 2013 IFRS for SMEs Update - Hilton Barbados  
 July 2013 Annual General Meeting- ICAJ Secretariat  
 July 2013 Members Lyme - TBA  
 July 18 -19, 2013 Caribbean Association of Audit Committee Members (CAACM) Regional Conference - HYATT Regency Trinidad  
 July 19, 2013 Business Risk and Internal Control  
 July 29, 2013 Joint ICATT/ISACA (Information Systems Audit and Control Association) workshop on IT Governance Arthur Lok Jack

July 2013

Regulators Guidelines – Hilton Bahamas

## AUGUST

August 15, 2013 Strategy, Leadership, Communication - Hilton Barbados  
 August 15, 2013 Management Accounting - Hilton Barbados  
 August 20, 2013 Risk Management – The DNA for Business Success - Arthur Lok Jack  
 August 23, 2013 International Business (Annual Update) - Hilton Barbados  
 August 24, 2013 Public Speaking "Train the Trainer: Making Winning Presentations"  
 August 29, 2013 Practical Accounting Exercises for Graduates - Arthur Lok Jack  
 August 2013 VAT Seminar - TBA  
 August 2013 International Public Sector Accounting Standards (IPSAS) – Hilton Bahamas

## SEPTEMBER

September 7, 2013 Lawyers' Client Money Compliance Work - Trinidad Hilton  
 September 9, 2013 Joint ICATT/ACCA Workshop: International Financial Reporting Standards (IFRS) - Trinidad Hilton  
 September 10, 2013 International Standards on Auditing (ISA) - Trinidad Hilton  
 September 11, 2013 Taxation -TBA  
 September 2013 IFRS Update- Joint ICAB/ACCA – LESC  
 September 2013 ISA Update - LESC  
 September 26, 2013 Internal Controls in a Computerized Environment – LESC  
 September 27, 2013 IFRS New Standards and Implementation  
 September 2013 ICAC's 67<sup>th</sup> Board Meeting – (TBA)  
 September 2013 Practice Monitoring Seminar – Hilton Bahamas

## OCTOBER

October 8-9, 2013 ICATT's International Finance and Accounting Conference – Hyatt Regency Trinidad  
 October 9-11, 2013 IBFD - Accra Beach  
 October 16, 2013 Joint ICAB/CGA Seminar – LESC  
 October 26, 2013 ICAJ/ACCA Professional Graduation Ceremony - TBA  
 October 2013 Value Added Tax (VAT) Seminar – Hilton Bahamas

## NOVEMBER

November 8, 2013 Accountants' Week Seminar - Hilton, Barbados  
 November 13, 2013 ICATT In-house Tax Training International Bureau of Fiscal Documentation (IBFD) - Arthur Lok Jack  
 November 23, 2013 Financial Reporting for Cooperative Societies - Courtyard Marriot  
 November 28, 2013 Taxation Forum -TBA  
 November 2013 Accounting for City, Borough and Regional Corporations - Capital Plaza  
 November 2013 Excel workshop - TBA  
 November 2013 Accountants' Week – Hilton Bahamas

## DECEMBER

December 4, 2013 Accounting and Audit of Financial Instruments – IFRS 9 Adoption  
 December 5, 2013 Free Members' Seminar & Presentation of Certificates - Hilton, Barbados  
 December 5, 2013 Annual Awards Banquet -TBA  
 December 2013 Association of Certified Fraud Examiners (ACFE)/Bahamas Institute of Chartered Accountants (BICA) – Hilton Bahamas

## NOTE:

\* **Dates** - schedule for these events is subject to change

### Key

- Institute of Chartered Accountants of the Caribbean (ICAC) ---Orange
- Institute of Chartered Accountants of Barbados (ICAB) --- Light Green
- The Bahamas Institute of Chartered Accountants (BICA) ---Pink
- The Institute of Chartered Accountants of Belize (ICA-Belize) ----Green
- Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) ----Light Blue
- Institute of Chartered Accountants of Jamaica (ICAJ)---Blue
- Institute of Chartered Accountants of Trinidad and Tobago (ICATT) ---Red

### IFAC CEO IAN BALL DEPARTS—ASSUMES VOLUNTEER ROLE OF PRINCIPAL ADVISOR

After more than 10 years, Ian Ball has stepped down as chief executive officer (CEO) of the International Federation of Accountants (IFAC). He will continue as a principal advisor, in a volunteer capacity, representing IFAC as a member of the board and as chair of the Working Group of the International Integrated Reporting Council (IIRC).

During his tenure as CEO, IFAC's presence, outreach, and global influence experienced remarkable growth, addressing the challenges the accountancy profession faced during a turbulent period for both the profession and the global economy. A strong and vocal proponent of transparency in government management and financial reporting, Mr. Ball also fostered the debate defining the public interest; shaped the case for, and advocated the importance of convergence of global professional standards; and played a key role in developing the arrangements between the accountancy profession and the regulatory community for oversight of the independent standard-setting boards in auditing and assurance, ethics, and accounting education.

Mr. Ball's accomplishments have been recognized throughout the profession. He is a recipient of the Chartered Institute of Public Finance and Accountancy's President's Medal and the New Zealand Institute of Chartered Accountants' Life Membership distinction, and he has been named a "Top 10 Influencer" by *International Accounting Bulletin*.

### IFAC WELCOMES G-20 FOCUS ON PUBLIC SECTOR FINANCIAL MANAGEMENT

On March 7, 2013, the International Federation of Accountants praised the G-20 Finance Ministers and Central Bank Governors for addressing government borrowing and public debt sustainability at their meeting in February. It also applauded the European Commission (EC) report, issued during the week, which called for "harmonized public sector accruals-based accounting standards" as a tool to build trust and financial stability.

The G-20 recap and communiqué state that "in pursuit of our goal of strengthening the public sector balance sheet, work is needed to better assess risks to public debt sustainability. This includes, inter alia, taking into account country-specific circumstances, looking at transparency and comparability of public sector reporting, and monitoring the impact of financial sector vulnerabilities on public debt." It calls on the International Monetary Fund (IMF) and World Bank to further explore the issue and provide updates.

Prior to the G-20 meeting, outgoing IFAC CEO Ian Ball addressed "The G-20 Agenda under the Russian Chairmanship," organized by the Institute of International Finance and the Russian Federation Ministry of Finance, where he called on Russia to use its G-20 Presidency to strengthen global financial stability by supporting adoption and implementation of International Public Sector Accounting Standards (IPSASs).

### IAASB FURTHER STRENGTHENS STANDARD ON USING WORK OF INTERNAL AUDITORS; ADDRESSES USE OF DIRECT ASSISTANCE

In a follow-up to its 2012 release of stronger standards dealing with the external auditor's use of an internal audit function's work, the International Auditing and Assurance Standards Board (IAASB) has issued new requirements and guidance that address the auditor's responsibilities if using internal auditors to provide direct assistance under the direction, supervision, and review of the external auditor for purposes of the audit ("direct assistance").

International Standard on Auditing (ISA) 610 (Revised 2013), *Using the Work of Internal Auditors*, now includes guidance to external auditors when determining whether they can use direct assistance from internal auditors, and if so, in which areas and to what extent. The material addressing direct assistance does not apply if the external auditor is prohibited by law or regulation from obtaining direct assistance.

In conjunction with ISA 610 (Revised 2013), the International Ethics Standards Board for Accountants (IESBA) also released amendments to the definition of engagement team in its *Code of Ethics for Professional Accountants* (IESBA Code). The amendments clarify the relationship between internal auditors providing direct assistance and the meaning of an engagement team under the IESBA Code.

The material in ISA 610 (Revised 2013) pertaining to direct assistance is effective for audits of financial statements for periods ending on or after December 15, 2014.

### IAESB RELEASES REVISED INTERNATIONAL EDUCATION STANDARD (IES) 1, ENTRY REQUIREMENTS TO PROFESSIONAL ACCOUNTING EDUCATION PROGRAMS

The International Accounting Education Standards Board (IAESB) has released the revised International Education Standard (IES) 1, *Entry Requirements to Professional Accounting Education Programs*, which is effective from July 1, 2014.

IES 1 is intended to protect the public interest by both establishing fair and proportionate entry requirements—which help those individuals considering professional accounting education make appropriate career decisions—and ensuring that requirements for entry to professional accounting education are not misrepresented.

Originally approved in 2004, IES 1 prescribes the principles to be used when setting and communicating educational requirements for entry to professional accounting education programmes. Requirements relating to entry to the profession are covered by:

- IES 2, *Initial Professional Development—Technical Competence*;
- IES 3, *Initial Professional Development—Professional Skills*;

- IES 4, *Initial Professional Development—Professional Values, Ethics, and Attitudes*;
- IES 5, *Initial Professional Development—Practical Experience*; and
- IES 6, *Initial Professional Development—Assessment of Professional Competence*.

Additionally, the revised standard provides:

- Specification of entry requirements for professional accounting education;
- Explanation for the rationale behind the entry requirements;
- A requirement that excessive barriers to entry are not put in place; and
- A requirement to make relevant information publicly available so that individuals considering a career as a professional accountant can assess their chances of successful completion.

The IAESB has undertaken a project to redraft all eight of its IESs in accordance with the clarity drafting conventions outlined in its 2010-2013 Strategy and Work Plan. Recently, the IAESB released its clarified IES 7, *Continuing Professional Development*, which identifies the requirements for continuing professional development of professional accountants, and IES 6, *Initial Professional Development—Assessment of Professional Competence*, which is designed to help IFAC member bodies and other professional accountancy organizations understand the learning and development requirements for assessing professional competence, and their obligations in upholding the standards.

### **IAESB ISSUES REVISED EDUCATION STANDARD – IES 5, INITIAL PROFESSIONAL DEVELOPMENT – PRACTICAL EXPERIENCE**

The International Accounting Education Standards Board (IAESB) has issued the revised International Education Standard (IES) 5, *Initial Professional Development—Practical Experience*. IES 5 aims to assist educational organizations, employers, regulators, government authorities, and any other stakeholders who support the practical experience of professional accountants.

The revised IES 5, which is effective from July 1, 2015, recognizes that practical experience is relevant in developing the competence of an aspiring professional accountant while also:

- Promoting greater flexibility in measuring practical experience;
- Permitting practical experience supervisors to direct, advise, and assist an aspiring professional accountant's experience; and
- Requiring practical experience to be recorded in a verifiable and consistent form.

The release of the revised IES 5 represents the fourth IES released by the IAESB in a project to revise its suite of eight IESs. The current timetable envisages that all IESs will have been revised and redrafted, or redrafted only, by Quarter 4 of 2013.

### **IFAC, CIMA, PwC RELEASE BACKGROUND PAPER, BUSINESS MODEL, IN ADVANCE OF INTEGRATED REPORTING FRAMEWORK**

To address the wide variation in how organizations define their business models and approach disclosure, IFAC, the Chartered Institute of Management Accountants (CIMA), and PwC, on

behalf of the International Integrated Reporting Council (IIRC), have released a background paper. *Business Model* provides background and context on how business model reporting should be undertaken in an integrated report and suggests content for business model reporting requirements that will be presented in the proposed International Integrated Reporting Framework, which will be released by the IIRC on April 16, 2013. The proposed definition and guidance in the background paper aim to bridge the varied interpretations by highlighting commonalities and ensuring a broad and inclusive application across industries and sectors.

Additional insights into reporting –including business models– can be found at:

PwC paper on Business models

<http://www.pwc.co.uk/reporting-assurance/publications/business-models-back-to-basics.jhtml>

PwC research on reporting—including business models

<http://www.pwc.co.uk/audit-assurance/publications/trust-through-transparency.jhtml>

### **IFAC SMP POLL HIGHLIGHTS KEY ISSUES FACING THE ACCOUNTING PROFESSION IN 2013**

The latest IFAC SMP Quick Poll, conducted in late 2012, showed that the smallest accounting practices and their clients are not immune to macroeconomic instability. With the continuing sovereign debt crisis, a double-dip recession in the Eurozone, and rising inflation in some regions, economic uncertainty pervaded many of the responses to the poll of small- and medium-sized accounting practitioners (SMPs). Despite these concerns, SMPs remain cautiously optimistic, showing their resilience and perseverance during challenging times.

After keeping up with new regulations and standards, three issues related to the health of the economy—attracting and retaining clients, pressure to lower fees, and rising costs—topped the list of challenges faced by SMPs. Similarly, respondents indicated that their clients, small- and medium-sized entities (SMEs), are most challenged by regulations followed by economic uncertainty. Respondents generally expect little change in business performance in the coming year; however, slightly more SMPs (5 points more) indicated they expect business to improve in the coming year compared to those who said the same at the end of 2011. They expect this growth primarily to be driven by revenue from new clients.

While respondents identified the reputation and credibility of the profession as a top issue facing the profession in 2013, they generally ranked public perception of the profession in their country/jurisdiction as average to above average and expect this perception to improve by 2025.

The poll report includes notable variations by region and size of practice in addition to trend data based on previous polls where available. See the full report in the SMP Committee area of the IFAC site: [www.ifac.org/SMP](http://www.ifac.org/SMP).



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