

# ANNUAL REPORT 2020



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF THE CARIBBEAN**

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



# The Institute of Chartered Accountants of the Caribbean (ICAC)

The Institute of Chartered Accountants of the Caribbean (ICAC) was established on October 28, 1988, bringing together at that time, accountants within the English-speaking Caribbean through its founding members: - The Bahamas, Barbados, Belize, Guyana, Jamaica, St. Lucia, and Trinidad & Tobago. Today, with a network of over 4,000 professionals, the ICAC has grown to become the leading regional organisation dedicated to the advancement of accountants and professionals in the finance industry within the Caribbean and parts of Latin America.

The ICAC has built strong international affiliations with globally recognised accountancy bodies, multi-lateral organisations and public sector groupings. In 2006, the ICAC was recognised by The International Federation of Accountants, (IFAC), based in New York, as an "Acknowledged Regional Grouping" of accountancy bodies, a designation held by only three (3) other regional groupings in the world. The ICAC supports the global objectives of the IFAC and its applications to the continued development and progress of the accountancy profession.

Since its establishment, the ICAC has provided a forum for the evolution of the accountancy profession in the region and promotes internationally acceptable standards, best practices, thought leadership, research and continuing professional development. Through its flagship event, the Annual Caribbean Conference of Accountants, the ICAC provides an important forum for accountants in the region to connect, network and benefit from the latest global and regional developments impacting the evolution of the profession.

#### MEMBERS

- The Bahamas Institute of Chartered Accountants (BICA)
- The Institute of Chartered Accountants of Barbados (ICAB)
- The Institute of Chartered Accountants of Belize (ICA - Belize)
- The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC)
- The Institute of Chartered Accountants of Guyana (ICAG)
- The Institute of Chartered Accountants of Jamaica (ICAJ)
- The Institute of Chartered Accountants of Trinidad & Tobago (ICATT)
- Suriname Chartered Accountants Institute (SCAI)

#### ASSOCIATE MEMBER

- Turks & Caicos Islands Society of Professional Accountants (TCISPA)

#### AFFILIATE MEMBERS

- The Chartered Professional Accountants of Canada (CPA Canada)
- The Association of Chartered Certified Accountants (ACCA)
- The American Institute of Certified Public Accountants (AICPA)
- The Chartered Institute of Public Finance And Accounting (CIPFA)

#### GOVERNANCE STRUCTURE & ADMINISTRATIVE STRUCTURE

The ICAC is governed by a Board of Directors comprising a director from each of its member bodies (national institutes), who is appointed to serve for a period of at least two (2) years. The Board is the policy making body of the Institute, while the Executive Committee which comprises the President, Vice-President, Treasurer, Secretary and Chief Executive Officer, oversee the management of the organisation.

The ICAC's Secretariat, located in Kingston, Jamaica, is responsible for supporting the development and implementation of its policies, goals and objectives and facilitates the sharing of information, best practices and networking across the member institutes, affiliates and associates. To advance the implementation of the strategic imperatives of the ICAC, sub-committees are created as needed from among the regional directorship and member institutes to work on specific topics and projects. As it works to operationalise its Mission Statement, the ICAC promotes and upholds the fundamental values of the accountancy profession - Truth and Fairness, Integrity, Justice and Prosperity - which are embodied in its motto, Veritas et Virtus (Truth and Virtue).

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# MISSION STATEMENT & OBJECTIVES

## MISSION STATEMENT

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

## OBJECTIVES

**The objectives of the ICAC are to:**

- Promote internationally acceptable standards of best practice for the accountancy profession in the Caribbean region.
- Foster a strong, cohesive and self-regulated regional accountancy profession.
- Implement and coordinate an effective regional monitoring programme for practicing accountants in the region.
- Promote an institutional framework through its annual conference for accountants in the Caribbean to participate for mutual professional and fraternal benefit.
- Standardise qualification entry requirements and rules of professional conduct among member institutes.
- Provide leadership on emerging issues as they affect the accounting profession in the region.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** of the Thirty-third (33rd) Annual General Meeting of the Institute of Chartered Accountants of the Caribbean (ICAC) which will be held virtually via Microsoft Teams on Wednesday, June 23, 2021 commencing at 1:00 p.m. AST/EST (12:00 p.m. JAM and/or 2:00 p.m. SRT).

- To confirm minutes of the Thirty-second Annual General Meeting held virtually on Saturday, September 12, 2020.
- To receive the Report of Directors.
- To adopt the audited Financial Statements for the year ended December 31, 2020.
- To appoint auditors for the year ending December 31, 2021.
- To appoint Directors for the period June 2021 – June 2023.
- To elect a President and Vice-President for the period June 2021 – June 2023.
- To consider any other business that may be brought before the Annual General Meeting.

**BY ORDER OF THE BOARD**



**Andrea St. Rose**  
Secretary

May 18, 2021

# BOARD OF DIRECTORS

## EXECUTIVE OFFICERS AND DIRECTORS



**Khalil Ali, FCA**  
President & Director,  
Guyana



**David Simpson, FCCA, CA**  
Vice President & Director,  
Barbados



**Gowon Bowe, CPA, CA**  
Treasurer & Director,  
The Bahamas



**Andrea St. Rose, LLB, FCIS,  
CFE, CPA, CGA, CA**  
Secretary & Director,  
Eastern Caribbean



**Claude Burrell, CPA, CISA**  
Director, Belize



**Raymond Campbell,  
FCA, FCCA, CBV**  
Director, Jamaica



**Michael Lutchman, RA**  
Director, Suriname



**Denise Chinpore-O'Reilly,  
FCCA, CA**  
Director, Trinidad & Tobago

## OTHER ICAC BOARD MEMBERS



**Jim Knafo, CPA, CGMA**  
Affiliate Representative  
American Institute of Certified  
Public Accountants



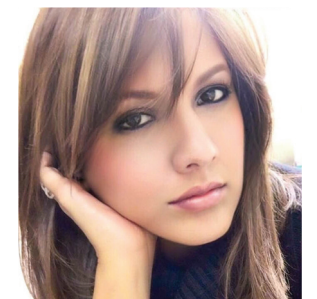
**Nancy Foran, FCPA, FCMA, C. Dir**  
Affiliate Representative  
Chartered Professional Accountants  
of Canada



**Salema Hafiz**  
Affiliate Representative  
Chartered Institute of Public  
Finance and Accountancy



**Snjezana Andrews, FCCA, ACMA**  
Associate Representative  
Turks and Caicos Islands Society  
of Professional Accountants



**Shelly-Ann Mohammed**  
Affiliate Representative  
Association of Chartered  
Certified Accountants



**Anthony Pierre,  
FCCA, CA, CFC**  
Immediate Past President,  
ICAC

# ALTERNATE DIRECTORS

The following persons served as alternates to appointed directors of the Board during 2020



**Diveane Bowe, CPA, CA**  
Alternate Director,  
The Bahamas



**Lydia McCollin, FCPA, FCGA, FCA**  
Alternate Director,  
Barbados



**Brett Feinstein, CPA**  
Alternate Director,  
Belize



**Erwin Southwell, CPA**  
Alternate Director,  
Eastern Caribbean



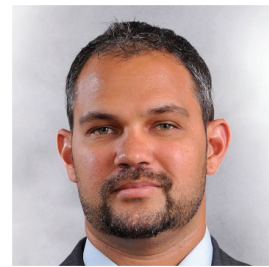
**Harryram Parmesar, FCCA**  
Alternate Director,  
Guyana



**Sixto Coy, FCA, FCCA, MBA**  
Alternate Director,  
Jamaica



**Hans Girjasing**  
Alternate Director,  
Suriname



**Dwayne Rodrigues-Seijas, ACCA, LLB. (HONS), LEC, ACAMS**  
Alternate Director,  
Trinidad & Tobago

# BOARD OF DIRECTORS REPORT

This constitutes the Directors' Report for the year ended December 31, 2020.

The Board of Directors Meetings held during the year were as follows:

- Eighty-seventh meeting on February 8, 2020 in Miami, Florida;
- Eighty-eighth meeting on June 24, 2020 by Videoconference;
- Eighty-ninth meeting on September 12, 2020 in Videoconference;

The 32nd Annual General Meeting was held on June 24, 2020 by Videoconference.

## Board of Directors

The Directors of the Board representing the following member territories served during the year:

Bahamas	Director Alternate Director	Gowon Bowe Diveane Bowe
Barbados	Director Alternate Director	David Simpson Lydia McCollin
Belize	Director Alternate Director	Claude Burrell Brett Feinstein
Eastern Caribbean	Director Alternate Director	Andrea St. Rose Erwin Southwell
Guyana	Director Alternate Director	Khalil Alli Harryram Parmesar
Jamaica	Director Alternate Director	Raymond Campbell Sixto Coy
Suriname	Director Alternate Director	Michael Lutchman Hans Girjasing
Trinidad & Tobago	Director Alternate Director	Denise Chinpire-O'Reilly Dwayne Rodrigues-Seijas

## Executive Officers

The Executive Officers serving for the year were:

Khalil Alli	President
David Simpson	Vice President
Andrea St. Rose	Secretary
Gowon Bowe	Treasurer

## Directors Attendance - Board Meetings

Meetings attended by Directors (and/or their Alternates) during the year were\*:

Name	Position	Institute/Org.	Number of meetings
Khalil Alli	President/Director	Guyana	3
David Simpson	Vice-President/Director	Barbados	3
Gowon Bowe	Treasurer/Director	Bahamas	3
Andrea St. Rose	Secretary/Director	Eastern Caribbean	3
Claude Burrell	Director	Belize	2
Raymond Campbell	Director	Jamaica	2
Michael Lutchman	Director	Suriname	1
Denise Chinpire-O'Reilly	Director	Trinidad & Tobago	3
Shelly-Ann Mohammed	Affiliate Representative	ACCA	3
Jim Knafo	Affiliate Representative	AICPA	3
Nancy Foran	Affiliate Representative	CPA Canada	1
Salema Hafiz	Affiliate Representative	CIPFA	2
Snjezana Andrews	Associate Representative	TCISPA	-

### Notes:

\*All Directors mentioned were on the ICAC Board for part or all of the year 2020

## ICAC Member Bodies

Members	Membership as at December 31, 2020*
The Bahamas Institute of Chartered Accountants	511
The Institute of Chartered Accountants of Barbados	1,017
The Institute of Chartered Accountants of Belize	30
The Institute of Chartered Accountants of Guyana	147
The Institute of Chartered Accountants of Jamaica	1,275
The Institute of Chartered Accountants of the Eastern Caribbean	269
The Institute of Chartered Accountants of Trinidad and Tobago	1,350
The Suriname Chartered Accountants Institute	36

### Notes:

\*Membership subscription for 2020 is based on the membership of each member institute as at September 30, 2019 in accordance with Section 4.2 of the ICAC Articles.

## Affiliate Members Representative

The Association of Chartered Certified Accountants (ACCA)	Ms. Shelly-Ann Mohammed
The Association of International Certified Professional Accountants (AICPA)	Mr. Jim Knafo
The Chartered Professional Accountants of Canada (CPA-Canada)	Ms. Nancy Foran
The Institute of Public Finance and Accountancy (CIPFA)	Ms. Salema Hafiz/ Mr. Tommaso Scali

## Associate Member Representative

Turks & Caicos Islands Society of Professional Accountants (TCISPA)	Ms. Snjezana Andrews
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## Auditors

Baker Tilly Strachan Lafayette, Chartered Accountants & Auditors of 14 Ruthven Road Kingston 10, Jamaica, were appointed auditors for the year under review. They have expressed their willingness to be re-appointed.

## Acknowledgements

The Directors thank the members, affiliates and the staff of the ICAC Secretariat for their contribution and support during the year 2020.

On behalf of the Board of Directors,



Khalil Alli  
President, ICAC



**Khalil Alli, FCA**  
President & Director,  
Guyana

# PRESIDENT'S REPORT

It is with pleasure that I present the President's Report for the year under review.

The term 2020 – 2021 was a turbulent period with many unforeseen challenges arising from the COVID-19 pandemic. The most severe impact was the forced cancellation of all in-person events scheduled for the period. The Board, Executive and Secretariat Staff of the ICAC were compelled to re-formulate the delivery of our programmes and activities in order to continue progress towards the achievement of our strategic objectives.

## PAO Co-operation and Development

During the period, the ICAC continued to work closely with member bodies to develop common strategies to enhance their oversight role of the profession. The ICAC has been highly successful in coordinating and negotiating a common approach to practice monitoring in the region, a key facet of an effective quality assurance programme. The ICAC's coordinated practice monitoring programme is now operational in seven (7) of our member bodies. The programme has contributed significantly to higher standards of audit quality in the region. With the impending conclusion of the current contract term with our existing service provider, the ICAC is presently coordinating an RFP process for a new contract term to commence from 2022.

The ICAC also focused on the Investigation and Disciplinary processes of member bodies during the period. During May 2021, the ICAC with support from the ACCA, held a second workshop for members of Investigation and Disciplinary committees from across the region. Best practices, available guidance and experiences were shared with attendees. Director of Professional Conduct ACCA, Joe Johnson, led the presentations. The ICAC will continue to advance this initiative and will facilitate further opportunities to assist members' improvement efforts.

During the period, the ICAC maintained an observer seat on the Professional Accountancy Organisation (PAO) Development and Advisory Group of IFAC, a committee that works towards the advancement of PAOs globally. Our representative on the committee was Denise Chinpire-O'Reilly. Through our representation on this committee, useful information was shared with member bodies

on digital tools to improve PAO affairs and other measures to stay efficient during the COVID-19 pandemic.

## Public Financial Management

In many of our economies, government spending continues to be significant contributor to Gross Domestic Product (GDP). Despite this, the state of public financial management and accountability is not yet at an optimal level. In May 2021, the ICAC in association with the Chartered Institute of Public Finance and Accountancy (CIPFA) hosted a two-day event focused on Enhancing Public Financial Management (PFM) and Accountability. The event was successful in bringing together the key stakeholders in this space, including IFAC, World Bank, Overseas Development Institute (ODI), Caribbean Regional Technical Assistance Centre (CARTAC), Public Expenditure and Financial Accountability (PEFA) programme, International Public Sector Accounting Standards Board (IPSASB) and Caribbean Organisation of Supreme Audit Institutions (CAROSAI). We were fortunate to have the Chair of IPSASB, Ian Carruthers, deliver a presentation on the importance of IPSAS. There was general agreement at the forum that the advancement of PFM in the region should remain a key priority for the ICAC and the profession.

The ICAC also holds a seat at the CIPFA International Advisory Panel, a global panel of experts convened to generate new insights into public financial management.

## Sustainability Reporting

As investors have become more informed, so have their demands for greater diversity in the information provided in corporate reports. While the traditional balance sheet and profit and loss statement are indispensable, the public is demanding more. Decisions of where to invest are now based on a wider range of factors than the traditional bottom line. "Value creation" now engenders a wider expectation.

As key participants in the corporate reporting world, the accounting profession has a critical role to play in meeting this deafening call from the public. Only recently, the International Accounting Standards Board (IASB) held consultations on whether there is now a need

for global standards for sustainability reporting and whether the accounting profession should play a role in the development of such standards.

The ICAC facilitated consultations in December 2020 between IFAC and technical experts from the region on the appropriate response to the IASB's consultations. To underscore the importance of the subject, CEO of IFAC – Kevin Dancy – delivered opening remarks to our attendees.

At the conclusion of the IASB process, there was a resounding assertion to the questions posed. The IASB is now mobilising to establish the necessary infrastructure to generate sustainability reporting standards. Unquestionably, ICAC will remain involved in the evolution of this future paradigm.

In a related event, the ICAC hosted in February 2021 a webinar on Non-financial Information and Integrated Reporting which saw participants from the International Integrated Reporting Council and the IFAC Professional Accountants in Business Advisory Group.

#### Technical Matters

The ICAC continued to focus on areas of common technical challenge for professionals in the Caribbean, serving as a conduit for high-quality resources from outside of, and within the region.

#### IFRS for SMEs

During the period, the IASB had undertaken a comprehensive review of the IFRS for SMEs. The ICAC hosted an event on the proposed changes with presentations delivered by Michelle Sansom and Yousef Hansye – IASB Technical Staff and Tadeu Cendon - IASB Board Member. Following the event, responses to proposed changes were submitted by Barbados and Guyana to the IASB. Relatedly, the Caribbean presently has two representatives on the IFRS for SMEs Implementation Group – Andrea St. Rose of the OECS and Rakesh Latchana of Guyana.

#### ISQMs

During the period, the IAASB issued the International Standards on Quality Management (ISQMs) which assurance practitioners would undoubtedly be aware of. The International Standard on Quality Control which will now be replaced with ISQM 1 and ISQM 2 will provide new guidance on the appointment and eligibility of an engagement quality reviewer. The ICAC hosted an event in March 2021 to sensitise practitioners in the region on these new requirements. We were fortunate to secure two (2) individuals who

were integrally involved in the development of the ISQMs - Julie Corden, a member of the IAASB and Chair of the ISQM Task Force, and Natalie Klonaridis, the Project's Principal at the IAASB.

Relatedly, the Caribbean continues to have a representative on the Small and Medium-sized Practices Advisory Group of IFAC – Andrew Brathwaite of Barbados.

#### IFRS 17 – Insurance Contracts

Following our regional workshops in 2019 held in collaboration with the Insurance Association of the Caribbean, the ICAC continued its efforts by engaging with the Caribbean Actuarial Association and industry regulators and insurers on the implementation of the new standard. A working group has been established, on which the ICAC has three (3) representatives.

#### IFRS Updates

The ICAC, with support from ACCA, held IFRS Update Workshops for participants from Guyana, Barbados, OECS and Suriname.

#### CPD Support

With COVID-19 restricting the delivery of planned CPD events, the ICAC has facilitated an agreement with the AICPA and the member bodies from OECS and Guyana for the delivery of on-line CPD to members.

#### Annual Conference

With the continuing challenges to air travel and mass gatherings, the ICAC will be hosting its first virtual Conference on 24-25 June 2021, patterned similarly to our flagship Annual Conference. The programme will comprise a wide mix of business and economic issues germane to the region and profession, delivered by thought leaders and experts.

#### Looking to the Future

A new Board will be installed for the term 2021 - 2023 at the upcoming general meeting, and I take the opportunity to wish the incoming Directors well and encourage continued pursuit of the ICAC core objective of development of the accountancy profession across all member bodies.

In closing, I wish to record my sincere appreciation to the Directors and Secretariat of the ICAC for their unrelenting support during my term as President.



**Khalil Alli**  
President, ICAC

# ICAC WORKING COMMITTEES AND CHAIRS

The Working Committees were established to support the implementation of the strategic goals and objectives of the ICAC. The Committee system was established for various functional areas and co-ordinated by a member body of the ICAC with representation from all regional institutes to ensure broad-based participation.

At the 79th Meeting of the ICAC Board of Directors held on October 13, 2017, an assessment was undertaken of the Committees as part of an overall review of the ICAC's governance structure. The Board took into consideration whether the committees were fulfilling the strategic objectives of the ICAC as well as their effectiveness. In light of the fact that some committees have not been operational nor functioning effectively due to

various challenges, the ICAC Board by consensus agreed to dissolve the following committees:

- Education and Joint Seminar
- Information & Communication Technology
- Membership
- Publicity
- Taxation

The Board also agreed that the remaining committees should be restructured to function as working committees of the Board and that the chairpersons should be appointed from among members of the Board and/or regional institutes. The Working Committees and Chairs established by the ICAC Board effective October 2017 are:

COMMITTEE	CHAIR
Public Sector Financial Management Committee	Andrea St. Rose ICAC Secretary & Director, Eastern Caribbean
Regional Monitoring Committee	Denise Chinpire O'Reilly Director Trinidad & Tobago
Technical Committee	Gowon Bowe ICAC Treasurer & Director, The Bahamas

The mandate of the Working Committees are as follows:

**The Public Sector Financial Management Committee** was established in June 2016 with a mandate to support the ICAC's strategic goal to promote IPSAS and its benefits in enhancing effective public sector financial management and accountability in the Caribbean. The Committee's objectives include engaging governments, the accountancy profession, and other key stakeholder groups across the region with a view to promoting improved public sector accounting and public financial reporting reform. The Committee also exists to support the efforts of member bodies in the region in promoting the importance, value, and benefits of high-quality public sector financial management within their respective jurisdiction.

**The Technical Committee** seeks to encourage the adoption of International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) and the harmonisation of internationally acceptable standards within the region. The Committee is also responsible for reviewing and providing comments on standards being developed or issued by international standards setting bodies and to encourage adoption and implementation by the accountancy profession in the region.

**The Regional Monitoring Committee** has been tasked with the responsibility to oversee the administration of the regional practice monitoring programme, which is intended to enhance the capacity of the accountancy profession and ensure the existence of efficient quality assurance review systems in the Caribbean.



# MEMBERSHIP OF ICAC WORKING COMMITTEES

## Public Sector Financial Management Committee

TERRITORY	MEMBER BODY REPRESENTATIVE
Eastern Caribbean	Andrea St. Rose (Chair)
Barbados	Lisa Padmore
Belize	Claude Burrell
Bahamas	Philip Stubbs
Suriname	Rene Abrahams
Jamaica	Janet Plummer
Trinidad & Tobago	Vijai Parabdeen
Guyana	Geetanjali Singh

## Regional Practice Monitoring Committee

TERRITORY	MEMBER BODY REPRESENTATIVE
Trinidad & Tobago	Denise Chinpire-O'Reilly (Chair)
Bahamas	Clifford Johnson
Barbados	Andrew Brathwaite
Belize	Claude Burrell
Guyana	Ramesh Seebarran
Suriname	Michael Lutchman
Trinidad & Tobago	Kerry Mohammed

## Technical Committee

TERRITORY	MEMBER BODY REPRESENTATIVE
Bahamas	Gowon Bowe (Chair)
Barbados	Bruce McClean
Trinidad & Tobago	Dwayne Rodriguez-Seijas
Eastern Caribbean	Andrea St. Rose
Belize	Brett Feinstein
Suriname	Robin Ferrier
Guyana	Rakesh Latchana
Jamaica	Nigel Chambers

# MEMBER COUNTRY REPORTS



During the period January 1, 2020 – December 31, 2020 The Bahamas Institute of Chartered Accountants (BICA/ the Institute) engaged in the following activities:

As a result of the COVID-19 pandemic there has been a shift to a virtual platform for many of the normal activities of BICA. The country is still battling the pandemic and vaccines are currently being administered. Bahamian citizens or residents who are fully vaccinated – after receiving their second dose will be exempted from COVID-19 testing requirements when travelling inter-island from New Providence, Grand Bahamas, Abaco, Exuma and Eleuthera.

Effective May 1, 2021, visitors travelling to The Bahamas from other countries who are fully vaccinated and have passed the two-week immunity period will be exempted from COVID-19 testing requirements for entry and inter-island travel.

**University of the Bahamas Spring 2020 Awards Ceremony (June 2020)**

The University of The Bahamas held a virtual ceremony on Monday, June 29, 2020 to honour graduating seniors and celebrate their achievements in a manner that was safe and complied with national health protocols during the COVID-19 pandemic. The BICA Award went to Shervano V. Collie.

**REGULATORY/MONITORING ACTIVITIES**

**Practice Monitoring**

The Association of Chartered Certified Accountants (ACCA) advised that as a result of the pandemic, Firms would

be remotely reviewed in 2020. This year nine (9) Firms were selected for remote monitoring.

**CONTINUING PROFESSIONAL DEVELOPMENT**

BICA held a virtual seminar on July 21, 2020 under the theme Human Resource Management in a Pandemic. Presentations included: Increased Productivity: The Remote Office by Keshelle Davis; Heart & Rhythm by Wellington Hepburn and Reskilling The Workforce: The New Normal is Here by Keshala Knowles.

**Current Happenings in Taxation**

BICA held a virtual seminar on October 8, 2020 under the theme Current Happenings in Taxation. Presentations by The Department of Inland Revenue included: Budget 2020/2021 Tax Items, Business License Update, Small Business Tax Relief, Insurance VAT Rule 2020 and Special Economic Recovery Zones.

**Resilience: The New Better (November 2020)**

BICA hosted its annual Accountants' Week (virtually) as issued by proclamation on November 5, 2020, under the theme "Resilience: The New Better".

The formal event was opened with remarks from the Co-Chair of BICA's CPD Committee and a State of the Institute address by the President of BICA, Diveane Bowe. Representatives from Government included the Honourable K. Peter Turnquest, Minister of Finance, Joy Jibrilu, Director General of the Ministry of Tourism and Aviation, Marlon Johnson, Financial Secretary, Ministry of Finance

and Co-Chair of the Economic Recovery Committee and Charles Littrell, Inspector of Banks and Trust Companies, The Central Bank of The Bahamas.

**BICA continued its partnership with the American Institute of Certified Public Accountants (AICPA) in hosting joint seminars.**

The formal event experienced a line-up of dynamic local and international speakers, including those from the AICPA, who shared perspectives in relation to the theme. Specific sessions included: AICPA Profession Issues Updates; Tourism Resiliency; Economic Recovery Updates, Regulator Update – Banking; Social Media Networking; The Changing Face of Payments – A Digital Marketplace (Panel Discussion); Risk Management in a COVID-19 Environment; Post Pandemic: Small Business Survival; Emotional Intelligence: Adjusting to the New Norms; Analysing Our Economic Recovery Initiatives (Panel Discussion); Regulatory Update – Securities; COVID – 19: Recovery ad Resilience Healthcare; Work in Place; Cyber Risk Management; Non-Profit Organisations; Creating a Customer-Centric Operating Environment; and IFRS Technical Update.

**Joint BICA and Association of Certified Fraud Examiners (ACFE) seminar (December 2020)**

BICA and ACFE partnered to host the 10th Annual Fraud, Ethics and Compliance

Seminar on December 3, 2020 virtually. Presentations included: Finding a Needle in the Haystack by James Tunkey - COO of I-On Asia; Compliance, Risk Management and the Need for Good Governance in the Wake of a Pandemic by Natasha Rolle-Bastian - CEO, ERM Strategic Solutions; Fraud Hotlines: Do Ethics Hotlines Discourage Tipsters? by Ms. Chelsea Binns - Assistant Professor, Licensed Private Investigator, Certified Fraud Examiner; Mapping Ethical Risk by Elizabeth Simon - Vice President of Compliance, FirstKey Homes; Business Continuity & Crisis Management: The Impact of COVID-19 by Gamal Newry - Owner, Preventative Measures; Business Ethics and Good Corporate Governance: The importance of the Compliance Officer by Derek Smith Jr. – Risk and Compliance Professional; and Maintaining Ethics in Education in a New Era by Stephen McPhee – President, Bahamas Education Managerial Union.

**ANNUAL GENERAL MEETING (October 2020)**

The Annual General Meeting of the Institute, which would have initially been held on May 29, 2020 was postponed to October 29, 2020 pursuant to a court ruling. BICA's Council members for the Council period which began on October 29, 2020 are Diveane Bowe, President; Lawrence Lewis, President Elect; Gowon Bowe, Immediate Past President; Chandrice Ferguson, Treasurer; Pretino Albury, Secretary; Dionne Comery, Registrar; Shaneska Kemp, Council Member; Gwenique Musgrove, Council Member; Myra Lundy-Mortimer, Council Member; Jacqueline Hunt, Council Member; Kateryann Thompson-Johnson, Council Member; Edgar O. Moxey, Council Member and Felecia Boyle-Bazard, Council Member.



During the year 2020 the world experienced a global health crisis in the form of the coronavirus (COVID-19) which led to the deepest recession and most severe global disruption since the Second World War. Despite the impact of COVID-19 on the operations and financial viability of businesses and professional accountancy organisations (PAOs) around the world, ICAB was still able to record several successes. While some PAOs were forced to shut down for a period, ICAB was able to successfully change its operating model such that it continued working during the lockdown and successfully established digital platforms to deliver Continued Professional Development (CPD) training to its members. ICAB also hosted its first virtual Annual General Meeting (AGM), virtual public sector conference and virtual annual conference during 2020.

**Strategic Plan and 2020 Priorities**

ICAB made major strides in completing its strategic objectives in the areas of public sector engagement, digital transformation and communications.

ICAB in November 2019 submitted a proposal to the Government recommending ways in which it could assist in achieving the objectives of public financial management reform. During 2020 it met with senior government officials on the implementation of some of those proposals including focused CPD and training as well as developing a corporate governance framework for the public sector. In anticipation of the improvements in financial reporting, ICAB launched, "ICAB Public Sector Financial Reporting Awards". The aim of the awards is to encourage improved financial reporting and to recognise excellence in the public sector.

With respect to digital transformation preliminary work commenced on the digitisation of ICAB's processes and workflows. ICAB's FutureTec Committee has been charged with the responsibility to identify those areas that can be automated or where technology can be leveraged to improve the efficiency of operations. One of the changes implemented to date is the use of a portal for the circulation of council and executive committee papers.

ICAB also increased its presence on social media and used additional communication methods to expand its outreach to members and the public.

**Council Changes**

As a result of the Coronavirus pandemic and the restrictions on in-person meetings, ICAB's AGM was held virtually for the first time on June 18, 2020. Given that a virtual AGM was not specifically provided for under ICAB's by-laws, among the main agenda items at the AGM were the passing of resolutions under Special Business to allow the virtual AGM to take place. The other main agenda items for the meeting were the election of members of Council, the approval of the Annual Report 2019 and the Audited Financial Statements for the year ended December 31, 2019, and the appointment of an auditor for the year ended December 31, 2020.

The term of Andrew Brathwaite, Lisa Padmore, Hanif Patel, and Diana Weekes-Marshall came to an end and they did not seek re-election. Sirpaul Jaikaran, Ricaido Jennings, Christina John, and Tracy Marshall were elected to Council for the first time, while Wendy Sealy and Darshani Workman were re-elected to Council.

The first Council Meeting was held the next day on June 19, 2020 to elect officers for the ensuing year. The Executive Officers and Members of Council elected to serve were as follows:

- Lydia McCollin - President
- Darshani Workman - Vice-President
- Damian Branford - Treasurer
- Tracy Marshall - Secretary
- Andrew Brathwaite - Immediate Past President
- Lisa A.C. Alleyne
- Rueben Blenman
- J. Betty Brathwaite
- Marilyn Husbands
- Sirpaul Jaikaran
- Ricaido Jennings
- Christina John
- Bruce McClean
- Wendy Sealy
- Damien Skeete
- Suzena Turton

There was an orientation and on-boarding programme for the four (4) new Council members. Prior to the second Council meeting, orientation packages were provided to the new members, followed by a meeting with the President which included a presentation on the role and functioning of a professional accountancy organisation. The orientation packages included an update on ICAB's strategic plan, regulations, policies and its activities to enable them to fully participate in decisions of Council from their first meeting. The new Council members also signed declarations concerning confidentiality and conflicts of interest as required by ICAB's governance policies.

**Regulatory/Monitoring Activities**

During 2020 there were 47 firms with 76 signing officers performing audits in Barbados who were therefore subject to the ICAB Practice Monitoring Programme. This compared to 42 firms with 77 signing officers in 2019. Monitoring visits on behalf of ICAB are conducted by practice reviewers who are based overseas. Due to restrictions on international travel and quarantine measures as a result of the COVID-19 pandemic, it was not possible to have in-person monitoring visits since the

end of March 2020. As a result, monitoring visits were conducted remotely using screen sharing online applications such as ZOOM. Monitoring visits were made to 11 firms, of which 7 (64%) were satisfactory, and 4 (36%) were unsatisfactory.

**Compliance with International Standards**

Updated Guidance Paper on the derivation of a Barbados dollar denominated yield curve at September 30, 2020, issued on December 23, 2020

ICAB had previously issued discussion and update papers on the derivation of a yield curve to be applied to the various instruments issued by the Government of Barbados (GoB) as part of its September 2018 Debt Exchange programme. The September 2020 paper sought to address the economic developments subsequent to the previous valuation date of September 2019, as well as discuss the market information considered and the methodologies and approaches reviewed and applied in deriving an updated post COVID-19 yield curve.

The considerations covered included the GoB's successful restructuring of its U.S dollar-denominated commercial debt, the market trade data observed on the Barbados Stock Exchange, economic data issued by the Central Bank of Barbados (CBB) and International Monetary Fund as well as data obtained for a variety of 2020 curves deemed relevant for use in the analysis for the Barbados context. While the overall methodology for the derivation of the curve remained unchanged from September 2019, the valuation exercise did result in an adjusted position to the range of yield curves previously considered relevant as at September 2019 reflecting comparatively higher yields as at September 2020.

**Guidance Document, 2020 Update to Audit Report Index**

The new Code of Ethics issued by the International Ethics Standards Board of Accountants (IESBA) became effective 15 June 2019 and was renamed "The International Code of Ethics for Professional Accountants (including International

Independence Standards)". ICAB's Accounting and Auditing Standards Committee issued updated report illustrations and guidance on the impact on the Auditor's Report which became applicable for periods commencing on or after 15 June 2019, highlighting the following sections of the report impacted as a result of the forgoing and other changes to the Code:

- Amendments to the Independence section in order reflect the name change;
- Amendments to the Auditor's Responsibilities for the Audit of the [Consolidated Financial Statements] section for listed entities only. The revised IESBA Code has required a further change when describing communications with Those Charged with Governance Relating to Independence.

Technical update seminars were conducted in 2020 to keep accounting and auditing professionals aware of developments in international standards as follows:

- International Financial Reporting Standards (IFRS) for Small and Medium sized Entities (SMEs) Workshop - August 14, 2020 which reviewed financial reporting after COVID-19 (discontinued operations, impairment, modification of a liability, events after the end of the reporting period, going concern), accounting for cryptocurrencies, and proposed changes to the IFRS for SMEs.

- IFRS Updates – September 28 & 29, 2020 which focused on financial instruments, non-financial instruments (impairment of non-financial assets, government grants, fair value measurements, deferred tax assets, provisions, other items), and presentation and disclosure issues (events after the reporting period, going concern, current vs non-current, disclosures related to estimates, financial risks, disclosures outside financial statements, interim financial statements).

- International Standards on Auditing (ISA) Update - November 9, 2019 which covered ISA 501 - Audit Evidence - specific consideration for selected items, ISA 540 - Auditing Accounting Estimates and

Related Disclosures, ISA 560 – Subsequent Events – some practical examples that need to be assessed in terms of adjusting versus non-adjusting.

## Governance

### Appointment of Committees

January 1, 2020 marked the beginning of a new two-year term of office for ICAB's committees, and in keeping with ICAB's Policy on "Efficient & Effective Committees" an orientation session was held for committee members in February. The session included presentations from the President, and the Chairs of the Ethics, Governance & Risk, and the Nominations Committees, and provided a brief overview of ICAB's Strategic Plan, the reporting structure and timelines for committees, what is expected of committees, performance evaluations, and the process for encouraging members to serve on committees and Council. Also, in keeping with ICAB's Policy on "Efficient & Effective Committees", all committee members received information packages on ICAB's rules, governance policies and plans, and were required to sign and accept letters of appointment, and sign annual declarations of confidentiality and conflicts of interest.

### Annual Governance Surveys

Since 2014 for Council, and 2015 for committees, ICAB's Ethics, Governance & Risk (EG&R) Committee has administered annual self-evaluation governance surveys of Council and committee members as part of ICAB's Governance Improvement Project. In 2020 new surveys were implemented for the committees to assess the effectiveness of the leadership of the committee Chairs, the effectiveness of the individual committee members as well as the overall performance of the committees. Results of the evaluations completed for 2020 indicated that committee chairs and committee members were meeting their objectives and the committees as a whole were functioning. The new performance appraisals for Council and Council members will be performed towards the end of the Council year which ends in June 2021.

## Accountants' Week 2020

Accountants' Week 2020 was held using an online platform for the first time from November 8 – 14 and was preceded by a virtual Press Launch on October 16, 2020. The theme was "Embracing Disruption – Building Resilience". The activities during the week were a church service (in-person and live-stream), a Panel Discussion on the topic "Beyond Staycations", a Students' Conference, Accountants' Give Back Day, the Annual Conference, and a collection drive for the Government of Barbados' Adopt-A-Family Programme.

### Involvement in Matters of National Interest

ICAB continued to be involved in several matters of national interest during 2020. In some matters, ICAB engaged directly with the Government of Barbados (GoB) as the representative of the accounting profession, while in several ICAB collaborated with other organisations through membership of the Barbados Private Sector Association (BPSA) and its involvement in the tripartite Social Partnership (GoB/Private Sector/Unions). Some of the key contributions in 2020 included the following:

- ICAB met with the Director of Finance & Economic Affairs, to discuss ICAB's interest in aiding in the reform of the public sector in the areas of financial reporting and corporate governance. It was agreed that ICAB would assist in facilitating focused training for public sector accountants and developing a corporate governance framework for state-owned enterprises.

- ICAB submitted a proposal to the GoB on the establishment of audit committees at all State-Owned Enterprises and Commercial State-Owned Enterprises. The proposal outlined how the establishment of audit committees in addition to the Internal Audit Office can improve the timeliness and quality of financial reporting and strengthen governance.

- ICAB met with CBB in June 2020 to provide feedback on the Bank's regulatory response to COVID-19 and to discuss the global perspective on IFRS 9 and the impact of COVID-19.

- ICAB met with CBB again in November 2020 to provide guidance on the considerations for group audits that involve component auditors.

- ICAB through its membership in the BPSA made contributions to the Social Partnership which were considered by the GoB as it rolled out protocols and initiatives and drafted changes in legislation in its national response to the COVID-19 pandemic.

- ICAB participated as part of the BPSA in meetings involving the International Monetary Fund (IMF) to discuss the views of BPSA members on the progress of the Barbados Economic Recovery and Transformation (BERT) Programme.

### Regional Focus

Supporting the Institute of Chartered Accountants of the Caribbean (ICAC) initiatives.

In October 2020, ICAC hosted a Discussion Forum on the Comprehensive Review of the IFRS for SMEs, currently being undertaken by the International Accounting Standards Board (IASB). The forum included members of the International Accounting Standards Board Technical Staff. The aim of the Forum was to provide insight and to encourage responses from the Caribbean to the IASB's Request for Information on the Comprehensive Review of the IFRS for SMEs. Members from ICAB'S Accounting and Auditing Standards Committee participated in the forum and ICAB subsequently formally submitted the "Optional Response Document" comments to the IASB before the October 27, 2020 requested deadline. In November 2020, ICAC facilitated a forum with the Director of Public Policy and Regulation of IFAC who had wished to engage with representatives of the ICAC to discuss the Caribbean's perspective on the proposals contained in the above Consultation Paper to which the Chairs of the regional technical committees were invited. The Chairman of ICAB's Accounting and Auditing Standards Committee attended this meeting to represent Barbados and contribute to the discussion.

### **Corporate Social Responsibility (CSR) Accountants Give Back Day**

The popular Accountants Give-Back Day was observed on November 9, 2020. This marked the fourth year of its inclusion in Accountants' Week. For that day, ICAB members were encouraged to give back to their profession and their communities by engaging in their own projects such as, giving donations, volunteering, promoting financial literacy or making any other contributions. Members were encouraged to share their projects by posting on ICAB's Social Media pages.

### **Donation of US\$7,500 to the Adopt-A- Family Programme**

Additionally, ICAB contributed towards the Adopt-A-Family Programme. As part of the national response to the COVID-19 pandemic the Government of Barbados launched the Barbados Adopt-A-Family programme to assist the most vulnerable families in Barbados with a US\$300 a month stipend. The goal was to reach up to 2,500 families. ICAB members were asked to donate to this worthy cause. The amount of US\$7,500 was donated and presented to the Minister in the Ministry of Finance, the Hon. Ryan Straughn M.P., on December 17, 2020.

### **Public Financial Education & ICAB's Volunteer Programme**

ICAB continued to make significant contributions to financial education through its Public Financial Education Programme and partnership with the Government of Barbados to support their Financial Literacy Programme.

ICAB's 5-minute radio programme "Talking Finance with ICAB" was aired during the popular talk-show "Down to Brass Tacks" on Wednesdays at 1:00 p.m. on VOB 92.9 FM and repeated just ahead of the 8:00 a.m. News. There were 23 programmes broadcast during the year.

ICAB facilitated sessions for Government's Financial Literacy Bureau on the topics Setting Financial Goals and Budgeting for Family Life and Costing and Pricing for Businesses through the use of volunteers from ICAB's Volunteer Programme that was launched during the year. Additionally, the volunteers facilitated sessions on Personal

Budgeting Tips, What Small Businesses Need to Know About Cyber Security, Accessing Financing and Reading and Understanding Credit Union Financial Statements, which were uploaded to ICAB's YouTube Channel. As part of Accountants' Week 2020, a free public panel discussion; "Beyond Staycations"; was held on November 10, 2020 on a virtual platform. This very candid discussion highlighted issues that might impact on the growth of local tourism and the development of a strong local tourism product in Barbados.

### **Representation in International Professional Accountancy Organizations (PAOs) International Federation of Accountants (IFAC)**

#### **IFAC Board**

Past President Lisa Padmore continued to serve as a member of IFAC's 22- member Board. The IFAC Board is responsible for overseeing IFAC's governance, membership, resource allocation, and appointments to IFAC committees. The Board also makes recommendations to IFAC's Council on matters such as IFAC's strategic direction, major initiatives, and fostering relations with international organisations and governments. Membership on the IFAC Board reflects the level of IFAC members' financial contributions as follows: Category A (Top 12 contributing member bodies) – 10 seats, Category B (Next 13-24 contributing member bodies) – 6 seats; and Category C (All other smaller contributing member bodies) – 6 seats. Given that IFAC is made up of approximately 175 members and associates, Lisa's seat on the Board under Category C is an achievement of which ICAB is extremely proud.

#### **IFAC Committees**

Lisa also continued to serve as Chair of IFAC's Technology Advisory Group, which advises the Board on the impact of technology on the profession, and as a member of IFAC's.

#### **Audit Committee.**

Immediate Past President, Andrew Brathwaite served the last year of a three-year term as a member of IFAC's Small and Medium Practices (SMP) Committee. The 18-member committee which was established in 2005 supports IFAC's work regarding SMPs in

Standard Setting, providing Resources and Tools, and Advocacy. In 2020 Andrew was re-appointed for a second three-year term that commenced on January 1, 2021.

### **The Young Professionals Panel at the IFAC Chief Executives Forum**

ICAB is very proud that of 30 nominations received from 17 PAOs and Forum of Firms members that ICAB member Shivram Bhajan was among 10 panelists selected by IFAC to participate in The Young Professionals Virtual Panel (35 years old or younger) at the IFAC Chief Executives Forum held in February 2020. Shivram spoke on the topic "Challenges for Young Professionals".

### **Continuing Professional Development**

Arising from the COVID-19 pandemic, all CPD events in 2020 after March were offered online. During the year, ICAB hosted 22 CPD Seminars/Webinars which provided 66.5 hours of CPD learning opportunities, compared to 19 CPD Seminars and 93 CPD hours for 2019. The seminars attracted 3,924 participants in 2020, which was an increase of 56% from the previous year. The significant increase in attendance appeared to be driven by the virtual format and the fact that some webinars were offered free of charge. Topics included the Annual Tax Update, Excel, Data Protection Act 2019, Coping with COVID-19 – Tips for Good Mental Health, COVID-19 and the Technological Impact on the Audit, Impact of COVID-19 on the Barbados Economy, Recent Changes in the Companies Act, Using Data Analytics in Detecting Fraud, IFRS for SMEs, Anti-Money Laundering, Modern Company Director - Roles & Responsibilities, IFRS Update, Economic Substance in Barbados, Beyond Staycations, The Importance of Maintaining Ethical Behaviour During Disruption and Uncertainty, ISA Update, and The Fight Against Corruption in Barbados.

### **Communications**

ICAB continued to have an active media profile during the year, appearing in the print and online news media 30 times as well as on radio and television. ICAB communicated with

members via email and social media, launched its YouTube Channel and also retained a Communications Consultant during the latter half of 2020 in order to increase its social media presence.

### **ICAB Scholarships**

Since the 2015-2016 academic year, ICAB has awarded two scholarships each in the amount of US\$1,750 to students majoring in accounting at the University of the West Indies (UWI) Cave Hill Campus. One scholarship is based on academic excellence and the other is based on financial need, although academic performance is still a factor. In awarding the scholarships, consideration is also given to the applicant's involvement with the UWI Accounting Students' Association (ASA) and other students' associations at the UWI.

For the 2019-2020 academic year, however, no ICAB UWI Scholarships were awarded as ICAB was advised by UWI that there were no suitable applicants. Since ICAB had already allocated funds for the scholarships, in 2021 a decision was taken to use the funds to provide assistance to twelve (12) accounting students who were experiencing financial challenges with respect to payment of their UWI fees.

### **Membership**

Membership of ICAB increased by 1.9% during 2020 to reach 1,047 at the end of the year. Thirty-five (35) new members were admitted to ICAB during the year, while four (4) members were delisted for non-payment of dues, and there were seven (7) resignations and four (4) deaths. Four (4) General Practising Certificates and one (1) Specialty Practising Certificate were granted. The designation "Fellow of the Institute" (FCA) was awarded to twenty-four (24) members.

As at December 31, 2020, ICAB's membership consisted of 757 students, representing a 7% decline in student membership compared to 811 at the end of 2019. While 45 new students joined the Institute, and 11 were re-instated, 17 students qualified, 6 students resigned, and 87 were suspended for non-payment of fees.



**INTRODUCTORY COMMENTS**

During 2019 the focus of the Institute continued to be the engagement of both membership and student membership through various learning events. Practice Monitoring and the Strategic Plan continues to be a priority.

**COUNCIL**

The Council was comprised of:

- President - Brett Feinstein
- Vice President - Jose Ortez
- Secretary - Claude Burrell
- Treasurer - Senaida Castillo
- Member - Reynaldo Magaña
- Member - Elmer Murray
- Member - Dorita Herrarte

**MEMBERSHIP**

The total membership stood at 56; which consisted of 29 holding practicing certificates.

**STUDENT MEMBERSHIP**

Student member activity was lower than usual during the year to the ongoing global pandemic. The Institute continues to fulfil the responsibilities as a partner in the ACCA Joint Education Scheme.

**REGIONAL & INTERNATIONAL FOCUS**

The following persons served as representatives on the ICAC Board of Directors:

- Claude Burrell - Director
- Brett Feinstein - Alternate Director

**OPERATIONAL MATTERS**

The operation of the secretariat continues to be outsourced to a local administrative support company.

**CONCLUSION**

The Institute continues to be grateful for the efforts provided by the Council and Secretariat during the year.

**INTRODUCTORY COMMENTS**

The period under review is marked in no small measure by the onset of the COVID-19 pandemic, and this time of uncertainty has impacted the entire world including the Accounting profession.

**COUNCIL CHANGES**

It was clarified that although Mr Henry Joseph remains the President, the representative for the Grenada Branch is Mr Aaron Logie, who will be representing Grenada in matters of the ICAEC going forward.

As mandated by the Institute's Rules and Bylaws, the five (5) delegates representing each of the Regional Branch Council is as follows:

- Andrea St Rose** - President - representing St Lucia
- Erwin Southwell** - Vice President - representing Antigua/Barbuda
- Carol Boddie** - Treasurer - representing St Kitts/Nevis
- Aaron Logie** - Secretary - representing Grenada
- Orlando Richards** - representing Dominica

**CONTINUING PROFESSIONAL DEVELOPMENT**

Due to the COVID-19 pandemic, in-person workshops were not held.

A joint virtual CPD between the ACCA, ICAC and the ICAEC was held on September 21 and 22 using the ACCA's online Go To Webinar platform. This workshop highlighted developments in the areas related to IFRS9, IFRS15, IFRS16, & IFRS for SME's

The Institute intends to carry on providing more guidance on IFRS and other Professional Development areas to keep members updated.

**IMPACT OF THE PROFESSION ON NATIONAL DEVELOPMENT**

**St Lucia**

On April 9, 2020, a virtual meeting was held engaging practitioners on various matters regarding the emerging Corona Virus situation. Among the matters discussed were:

- recommendations to government for inclusion in an economic stimulus package;
- options for firms and individual practitioners to manage the inevitable decline in economic activity over the next year;
- what firms can do to assist their staff who would be impacted by the decline in revenue;
- labor code requirements and guidance for the impact on employers and employees;
- what is needed from government departments to change the way we do business;
- how to help the country, including voluntary and pro bono assistance to frontline departments, and those needing assistance most.

**MEMBERSHIP**

	Practicing	Ordinary	Total
Antigua	28	47	75
Dominica	7	8	15
Grenada	13	39	52
St Kitts	11	31	42
St Lucia	33	231	64
<b>Total</b>	<b>92</b>	<b>156</b>	<b>248</b>

**OPERATIONAL MATTERS**

The Secretariat is continuing to provide support to its members in the various ways possible including record keeping processes to facilitate smoother collation and distribution of information.

**CONCLUSION**

We thank Branch Council members for their unwavering support and effort since their appointment to office. It is always very challenging as we continue to increase our membership, while organising CPDs and communicating regularly with members and stakeholders. There is always more work to be done, in particular as it relates to increasing membership as well as our positioning in the Society. We remain committed to the strengthening of the profession and looking forward to improved administration and controls as adopted under the Rules and By Laws of the ICAEC.



## Council 2020 - 2021

The members of the Council of the Institute of Chartered Accountants of Guyana (ICAG) Annual General Meeting, elected for 2020/2021 were:

President	-	Pramila Persaud
Vice President	-	Vishwamint Ramnaraine
Secretary	-	David Dharamraj
Treasurer	-	Shawn Gurcharran
Members	-	Arron Fraser
	-	Colin Thompson
	-	Khalil Alli
	-	Harryram Paremsar

## 2) Committees

The Institute currently has twelve (11) Sub- Committees. The Sub - Committees along with the chairpersons are as follows:

Committees	Chairperson
Investigation	Mr. Paul Chan-A-Sue
Disciplinary	Mr. Harry N. Narine
Appeals	Members of Council except those serving on the Investigations or Disciplinary Committees
Student Affairs	Mr. Shawn Gurrcharan
Technical	Mr. Harryram Parmesar
Membership / Public Relations	Mr. David Dharamraj
International Relations	Mr. Colin Thompson
Regulatory	Mr. Paul Chan-A-Sue
Building	Mr. Vishwamint Ramnaraine
Governance Committee	Mr. Khalil Alli
Taxation	Mr. Ronald Alli

## 3) Professional Activities

### Regulatory/Monitoring Activities

The ICAG, as a member body of the Institute of Chartered Accountants of the Caribbean (ICAC) continued its audit monitoring services with the Association of Chartered Certified Accountants (ACCA).

ICAG has appointed a Regulatory Committee as a mechanism for reports from auditing visits to be considered for

identification of actions to be taken in respect of deficiencies found at individual firms and the general trends emerging from such visits as a basis for pro-active technical programmes to be developed. The Regulatory Committee is composed of non-practicing members supported by a legal counsel.

The Regulatory Committee has identified the need for remedial actions and sanctions in respect of auditors who have repeated unsatisfactory outcomes

at their monitoring visits, in keeping with the requirements of IFAC Statement of Membership Obligations (SMO) 1 on Quality Assurance which sets out the requirements of an IFAC member body with respect to the quality assurance review systems for its members who perform audits, review, other assurance and related services engagements of financial statements.

Council has been advised and so recognise that it is not responsible regulation to allow non-compliant firms to continue to audit where firms persistently have unsatisfactory outcomes and fail to make the necessary improvements.

These are issues that ICAG will have to be responsive to in order to provide assurance to the public that it continues to work to strengthen the profession in the country through compliance with internationally acceptable standards.

### Technical Activities

The ICAG continues to work with other member bodies to ensure that adequate professional development sessions are conducted including collaborated sessions with ICAC and ACCA.

### Taxation

The ICAG remains committed in engaging its membership and the Business Community on the various inconsistencies within the tax legislation and investment agreements. Arrangements are being concluded to meet with the Minister of Finance these matters.

### Membership

The Membership Committee approved four (4) applications for membership and seven (7) practice certificates during the year and the number of members as at 31 December 2020 was one hundred and forty-three (143).

Council continues to defend certain decisions taken in the application process for practice licenses.

### Students' Affairs

#### ICAG / ACCA Examinations Scheme

During the year 2020 twenty-three (23) students successfully completed the ACCA final examinations, while thirty-one (31) students completed the last level in the Foundations in Accountancy (FIA).

Due to the various restrictions implemented as a result of the COVID – 19 pandemic, examinations for the sessions March 2020 to September 2020 were cancelled by ACCA.

Nonetheless, the local students continue to perform with distinction at the ACCA Examination as recorded at the December 2020 session.

#### Student's Recognition Ceremony

Due to the various restrictions implemented as a result of the COVID – 19 Pandemic, no Student's Recognition Ceremony was held.

#### Investigations, Disciplinary And Appeals

A review of the Governance structure of the Institute of Chartered Accountants of Guyana is currently being carried out which includes the Investigation Committee drafting formal recommendation on policies and procedures to be adopted by the Institute of Chartered Accountants of Guyana.

The complaints raised in the previous year was addressed by the Investigations Committee and recommendations made to Council. There currently no outstanding matters in this regard.



**INTRODUCTORY COMMENTS**

As the COVID-19 pandemic deepened worldwide and the Government of Jamaica implemented policies to curtail the spread of the virus, the Institute of Chartered Accountants of Jamaica (ICAJ) in 2020 made a number of operational changes to ensure that the strategic objectives of the Institute stayed on course.

While the Secretariat remained open throughout the year, service hours were reduced for a few weeks during the second quarter of the calendar year. Members and students were encouraged to access services electronically in order to reduce person-to-person contact. All face-to-face meetings and CPD training were moved online to ensure that local accounting professionals maintained technical competencies in keeping with international standards.

Despite the challenges, there was enhanced member engagement during the year through virtual and electronic communication, as well as publications such as our quarterly newsletter. The Institute also used media interviews, social media and print publications to promote the value of accountants in the wider society and inform the public of developments in the Accountancy profession. This strategy was informed by feedback from surveys of the members' perception of the Institute as well as their social media usage and preferences.

**Partnerships**

During the year, a Memorandum of Understanding (MOU) was signed with the American Institute of Certified Professional Accountants (AICPA) to create a pathway for accounting and finance professionals to future-proof

their skills through the Chartered Global Management Accountant (CGMA) designation.

ICAJ also entered into a partnership with the Jamaica National Group (JN) that will assist the Institute with the ongoing development of the accounting profession in Jamaica. The partnership is facilitated by ICAJ's yearlong sponsorship programme through which targeted marketing and promotional initiatives are directed at our members and the wider accountancy profession, as well as other professional groups using various channels.

ICAJ's partnership with regional and international organisations (e.g. IFAC, ACCA, and ICAC) remains integral to our operations. ICAJ expresses its appreciation for the support received from a number of territories in the Caribbean who participated in webinars throughout the year.

**COUNCIL MEMBERSHIP**

The Institute's Fifty-Fifth Annual General Meeting was held on Thursday, July 30, 2020. In keeping with the COVID-19 protocols, a limited number of members were accommodated at the venue, while others joined via video conferencing. The Council Members who were seeking re-election were reappointed to their positions. The following persons returned to serve during 2020/2021:

- Mr. Sixto Coy** - President
- Ms. Allison Peart** - Vice President
- Mrs. Sharon Donaldson-Levine** - Treasurer
- Mrs. Elaine Robinson** - Honorary Secretary
- Mr. Raymond Campbell** (Immediate Past President)
- Mr. Bruce Scott**
- Mr. Nigel Chambers**

- Mrs. Elizabeth McGregor**
- Ms. Marlene McIntosh**
- Mr. Garfield Reece**
- Mr. Eric Scott**
- Mrs. Janet Plummer**
- Mr. Eric Mardner**

**REGULATORY/MONITORING ACTIVITIES**

**•Practitioners' Development - Practice Monitoring**

ICAJ continued to promote international standards and best practices and provided practitioners with updated information relevant to their practice and other pertinent matters.

**•Compliance with International Financial Reporting Standards and International Standards on Auditing**

ICAJ remains committed to serving the public interest, facilitating the adoption and implementation of International Financial Reporting Standards and International Standards on Auditing and best practices within the Accountancy profession. Reviews of the financial statements of selected listed companies continued during 2020 and information was also provided to companies on amendments to the Auditor's Report.

**CONTINUING PROFESSIONAL DEVELOPMENT**

The pandemic did not dampen the Institute's endeavours to fulfil its mandate to facilitate and promote the continued professional development of its members. There was a significant increase in participation at our webinars and virtual workshops during the year. The following are some of those workshops/webinars.

•Forensic Accounting Certificate Course  
A 4-week Certificate Course in Forensic Accounting facilitated by noted Forensic Accountant, Mr. Collin Greenland was held on Saturdays during the period January 25, 2020 - February 15, 2020 at the ICAJ Secretariat. The course was designed to help local accounting and audit professionals improve their competence in the application of

'cutting-edge' forensic accounting methods.

**•Taxation Related Workshops**

Several taxation related webinars were held during the period under review. The first was a Taxation Computation Workshop held on February 2, facilitated by ICAJ Past President Prunella Vassell and Everalde Dewar, Tax Associate Partner, BDO. 40 persons participated in the workshop. The topics covered were:

- Tax Computation - Employment Tax Credit
- Preparation of Tax Returns
- PAYE

This was followed by the two (2) major Taxation Webinars on May 27 and September 22. Both were held online with over 200 participants each. There was also a 4-day GCT Webinar in November with Mr. Everalde Dewar as the presenter. 79 persons participated. This was followed by a Capital Allowances, Tax Computation and Deferred Taxation Webinar in December. The 4-day session was facilitated by Ms. Prunella Vassell with 96 persons in attendance.

**•IFRS Workshop**

The annual IFRS Workshop was held at the Jamaica Conference Centre on February 7 and 8, 2020. The two-day workshop provided pertinent information on the following:

- IFRS 3, 9, 15, 16 and 17
- IAS 32, 33, and 34
- Corporate Listings - Implications for Financial Reporting
- Digitisation - Implications for Business Operations and Financial Reporting

412 persons attended at the venue and via webcast.

**•Enterprise Risk Management Webinar**

An Enterprise Risk Management Webinar was held for the first time in June 2020. The online session was facilitated by



Mr. David Hall, Managing Director, DC Consultants and Associates and Caribbean District Representatives, Institute of Internal Auditors. Approximately 80 persons participated. Later in the year the Institute had another first with the staging of a Data Protection Compliance Webinar. The 2-day event which was held on September 9 & 10, 2020 was facilitated by Mr. Chuck Cameron, Attorney-at-Law and Founder of Design Privacy. This webinar looked directly at the Jamaica Data Protection law that was recently passed. Approximately 75 persons participated in the session.

#### •Practitioners Development Webinar

There was a 4-day Practitioners Development Webinar in July with 25 participants. This was followed by a COVID 19 Financial Reporting Considerations Webinar that was offered free of charge to ICAJ members. The presenters were Garfield Reece, Wilbert Spence, Keron Burrell and Suzette Austin and there were approximately 80 participants.

#### •Annual Business Webinar

The 2020 Annual Business Webinar was successfully hosted online on October 8 & 9, 2020. Under the theme, "Preserving our Legacy...Charting our Future Success", the webinar focused on issues of interest to businesses operating in small, vulnerable, open economies such as Jamaica, especially during the COVID-19 pandemic. Approximately 130 persons were in attendance.

### STUDENT AFFAIRS

#### •ICAJ/ACCA Joint Scheme Examinations

The student membership of the ICAJ/ACCA Joint Scheme Examinations stood at 2,202 as at December 31, 2020.

#### •Career Expositions

During the months of February and March, ICAJ participated in the following Secondary Institutions' career day activities:

- St. Andrew High School for Girls
- University of the West Indies (Mona)
- Wolmer's Boys School
- Bridgeport High School

#### •Graduates Recognition

Due to the ongoing pandemic, the annual ICAJ/ACCA Graduation was cancelled. Graduates were however recognised through a congratulatory feature in our national newspaper, the Jamaica Gleaner.

#### •Student Mentorship Programme

The Institute continued its efforts to provide guidance and support to students pursuing the ACCA Qualification. Graduates and qualified members were encouraged to participate in the ICAJ Mentorship Programme and share the experiences on how to become successful accounting professionals.

### MEMBERSHIP

As at December 31, 2020, there were 1483 members. We continued our efforts to increase the number of new members admitted and reduce the number of members deregistered annually. More attention was placed on attracting accountants to ICAJ membership by informing them of the benefits of membership while sensitising employers on the advantages of recruiting persons with the Chartered Accountants (CA) designation.

Membership engagement during the year included the annual Retirees Recognition Ceremony, a New Members Virtual Orientation and a Prospective Members Reception. There was also the celebration of Chartered Accountants' Week from October 4 – 10, 2020. The week highlighted the accountancy profession and its contributions to Jamaica's social and economic development. Other activities included media interviews, recognition of Chartered Accountants on Chartered Accountant's Day (October 7), as well as an advertorial which was published in the Jamaica Observer.

#### •55th Anniversary Services of Thanksgiving

ICAJ welcomed 2020 with two 55th Anniversary Services of Thanksgiving in Kingston at the Webster Memorial United Church and in Montego Bay at the Hillview Baptist Church. The services were attended by the President, Council members,

members and students of the Institute, staff and family. Both services were followed by brunch, and afforded members the opportunity to fellowship before COVID-19 restrictions were implemented.

#### •Professional Development Clubs

Throughout the pandemic the ICAJ Toastmasters Club continued to hone leadership, public speaking and writing skills among members.

#### •Members' Successes

The Institute remains extremely proud of its members who continue to provide invaluable service on many boards and committees.

Dr. Archibald Campbell, Past President and Chairman of Jamaica Money Market Brokers Group Ltd. (JMMB) was the 2020 Distinguished Member Awardee. This prestigious award is presented annually to a member of the Institute for their outstanding contribution to ICAJ and the Accountancy profession in Jamaica. A member of the ICAJ since 1984, Dr. Campbell has had an exemplary career as a Chartered Accountant, contributing at multiple levels to the growth and development of the profession in the Caribbean and beyond.

### IMPACT OF THE PROFESSION ON NATIONAL DEVELOPMENT

The Institute recognises the pivotal role that the profession plays in nation building and maintained a strong relationship with local organisations including the Ministry of Finance and the Public Service, Tax Administration Jamaica (TAJ) and the Private Sector Organisation of Jamaica. One area in which the Institute made a significant impact relates to

encouragement and support for the implementation of the International Public Sector Accounting Standards (IPSAS) Accrual Accounting in the public service. An IPSAS Certification Programme for accountants in the public sector is ongoing.

### OPERATIONAL MATTERS

#### Property Development

The Property Development Committee is ensuring that ICAJ's stakeholders conduct business at the Secretariat in an attractive and organised environment. Our property improvement projects continued with the repainting and refurbishing of the students' study area in May 2020.

#### History of ICAJ

The Institute is cognisant that the preservation of its history is integral to its development, as the past must play a key role in leveraging the future. A publication on the history of the Institute is scheduled for completion in 2021.

#### Member Management System

The Institute continued work on a project designed to implement a new web-based member management system.

### CONCLUSION

ICAJ thanks its valued members, students, sponsors and other stakeholders as well as the general public for their unwavering support during 2020, and invites their continued support for all its programmes. The Institute will continue to actively pursue the goals and objectives that will chart its future while advancing the Accountancy profession.



**INTRODUCTORY COMMENTS**

This document sets forth the annual report of the Suriname Chartered Accountant Institute.

The main action areas and activities carried out throughout the year 2020 relate to:

- Continuation NBA/PUM Practice Monitoring Programme
- CA- Education and Certification programme
- Stakeholders engagement with the public and private sector (Ministry of Education, Science and Culture/ Ministry of Economic Affairs/ Ministry Finance and Planning)
- Compliance with international accounting and auditing standards
- Continuing professional development for members
- Training courses carried out in collaboration with SCAI
- Membership broadening and service providing
- Operational and Office Bureau matters
- Conclusion

**COUNCIL**

The SCAI Board of Directors is composed as follows:

Name	Function	Installed
<b>Robin Ferrier</b>	President	Dec 2019
<b>Michael Lutchman</b>	Vice-president	Dec 2019
<b>Jasna Kortram</b>	Treasurer	Dec 2019
<b>Susan Troff</b>	Secretary	Dec 2019
<b>Marguerite Tjong A Hung</b>	Member	Dec 2019
<b>Hans Girjasing</b>	Member	Dec 2019

Because of the COVID-19 pandemic, activities have been changed or modified.

**Continuation NBA/PUM Programme**

As stated in the previous report Mr. Jan Kalisvaart is the new expert primarily responsible for the office reviews. Due to the Covid-19 pandemic it was not possible to travel to Suriname for the planned mission in November 2020. As an alternative, PUM developed a Remote Coaching (RC)

project. The plan for the RC project for SCAI was discussed with the Practice Monitoring Committee and approved by the Board of SCAI. During the next visit Jan will discuss the results of the questionnaires with the responsible Auditing and accounting firms and (again) perform file reviews.

The RC project 2020 started with an online kick-off meeting with the members of SCAI. During this meeting the purpose of the RC project and the planned activities of the work plan were explained by the PUM expert.

As part of the RC project the PUM expert organised online meetings with the responsible accountants of all firms. During each online meeting the following topics were discussed:

1. The impact of the Covid-19 pandemic on the firm, the clients, the employees etc.;
2. The progress of the implementation of the Quality Assurance (QA) & Quality Control (QC) system within the firm after the last NBA/PUM visit in 2019;
3. The challenges for further implementation of the QA & QC system;
4. The implementation of the new Standard for Quality Management (ISQM 1 and 2)

Another part of the RC project was to support SCAI with the implementation of the legislation regarding Quality Assurance and Quality Control. The PUM expert designed and discussed a draft framework for implementation of the IFAC standards in Suriname. This framework is discussed in the Practice Monitoring Committee and the Board of SCAI.

In the coming months NBA/PUM will consult the Board of SCAI and design a new plan for the coming years to support the capacity building process concerning QC and QA performance. Key parts of this new plan are responsibility and ownership by SCAI and the capacity available for the execution and reviews at firm and files levels.

The next mission is planned for November 2021.

**CA- Education and Certification Programme**

In November 2020, the Chartered Accountant education programme started with 17 participants. The first module, General Law, has been examined on April 16, 2020. The next module, Tax, will be starting in May 2021. After successfully passing the exams, the participants can apply to be listed as chartered accountants (CA) in the CA-register which is maintained by SCAI. The SCAI Board is already making preparations for the new CA course to start around October 2021.

Stakeholders engagement with the public and private sector (Ministry of Education, Science and Culture/ Ministry of Economic Affairs/ Ministry of Finance and Planning).

**Ministry of Education, Science and Culture**

The Institute of Suriname Chartered Accountants Act was published on December 25, 2018. This law covers the professional practice of accountants in Suriname. In order to comply with the legal requirements included in the SCAI Act, SCAI needed to work in cooperation with the Ministry of Education on the resulting state decrees (related to practical training).

The Minister of Education Science and Culture, Mrs. Marie Levens granted approval to start with the CA-education programme. However, for the accreditation of the training, SCAI has to apply to the NOVA.

**Ministry of Economic Affairs**

In order to give meaning to effective implementation of the SCAI Act, it is also necessary that all decrees mentioned in this Act are communicated and available to the public.

SCAI visited the Minister of Economic Affairs, Entrepreneurship and Technological Innovation Ms. Saskia Walden on August 10, 2020. Various topics regarding the accounting profession and the prospects of entrepreneurs were discussed. The Minister also indicated that Small and Medium Enterprises (SMEs), should be considered for financial support from the COVID-19 emergency fund given the impact on SMEs of the various measures (lockdown, limited allowed working hours and office staff etc.) resulting from the COVID-19 pandemic.

**Ministry of Finance and Planning**

The SCAI sent an invitation to meet with the Minister of Finance and Planning, Mr. Armand Achaibersing in July 2020. This virtual introduction took place on January 28, 2021.

As agreed, SCAI will be supporting the Minister with the following:

- The Annual Accounts Act of 2017 (effective as from January 1st, 2018): revision and implementation guidelines
- The consideration of postponing the transitional period for the application of IFRS by (at least) one year. This will be submitted for approval to The National Assembly.
- The size criteria regarding classification of companies for financial reporting and auditing purposes will be updated in the context of the current macro and financial economic conditions. This means that the size criteria will be adjusted accordingly.

The Accreditation Office, Bureau NOVA, is charged with the administrative and organisational activities of the NOVA. These activities include, processing accreditation applications and coordinating the accreditation process. Also providing Information on accreditation to students, Educational Institutions and other national and international educational authorities/ organisations.

On February 17, 2021, the Council of Ministers approved the proposal of the Ministry of Economic Affairs to establish an Interdepartmental Working Group for the Law on Annual Accounts for a period of 1 year as of February 01, 2021.

Following this, the working group has been officially installed on March 19, 2021 by the Minister of Economic Affairs and the Minister of Finance and Planning. Robin Ferrier and Jasna Kortram (members of the SCAI Board) are the SCAI representatives.

The Interdepartmental committee on the Annual Accounts Act has the following duties:

1. Drafting all executive orders arising from the Annual Accounts Act.
2. Providing advice to the Minister of Economic Affairs, Entrepreneurship and Technological Innovation regarding the Annual Accounts Act.

3. Performing other work concerning the Annual Accounts Act, being:

- Preparing decrees for consideration by the Council of Ministers and the State Council;
- Providing a presentation to the Council of Ministers and State Council if needed.
- Processing the relevant comments made by the State Council on the draft state resolutions/decrees and drafting answers to any questions.

4. Report to the Minister of Economic Affairs, Entrepreneurship and Technological Innovation on its work each quarter.

#### **Compliance with international accounting and auditing standards**

SCAI has installed various committees to draft the rules and regulations for the different bylaws. In total 9 bylaws should be in place to comply with the new SCAI Law (Wet SCAI). This should have been completed in 2020, however due to COVID-19 issues this process takes more time than anticipated. By laws and executive orders are as of February 2021 prepared by the committee for the Minister of Finance and Planning & the Minister of Economic Affairs.

#### **Continuing Professional Development**

SCAI has through the NBA / PUM programme further worked on the enhancement of QA and QC. This involves all auditors and/or accounting firms. Also further strengthening and implementation of ISQC and monitoring in collaboration with NBA. The SCAI will also be focusing on the CA- Education and Certification programme. Finally training courses were organised and/or made available for the members of SCAI to earn CPE credits.

#### **Training courses carried out in collaboration with SCAI**

The SCAI is currently in the process of putting together the 2021 training calendar in conjunction with Global International Management, LLC. It draws from their wide range of training courses. Due to the COVID-19 pandemic this area was at a relative low activity level in 2020. The newly planned training courses will be made accessible to members, as well as non-members. The topics are audit, financial reporting and management and are meant and set up to reach larger groups.

The NBA3 also sends out webinars on a regular basis which are also aimed specifically at Surinamese and Dutch Antillean interested parties.

The Royal Netherlands Institute of Chartered Accountants (NBA) is the organisation established by law that is charged, among other things, with promoting the proper professional practice of its members (chartered accountants and accounting consultants)

#### **Regional & international focus**

In 2020 after the general elections in May the Board actively reached out to the newly elected government officials to establish refreshed working relations.

Participation in international conferences was not possible in 2020 due to the COVID-19 pandemic. The In-Person 38th Annual Conference of Accountants was also canceled.

#### **Membership**

At 31 December 2020 there were 25 chartered accountants listed on the SCAI register. After successfully obtaining the CA Certificate in 2021, it is anticipated that 13 new members will be taken up in the SCAI register.

#### **Operational matters**

The SCAI office has a new office manager as of February 1, 2021 Gitanyali Girjasing. After eleven (11) years of service, the previous manager Elvira Lens stepped down. SCAI has also actively been looking for a new office location. In Q1 2021 this materialised.

The SCAI bureau has started a process of re-alignment and setting up the full infrastructure including ICT as stated by the SCAI law to further strengthen the national professional body.

#### **Conclusion**

We wish to thank all our stakeholders, the Government of Suriname, our members, our Board of Directors and the SCAI Bureau for their valuable support to SCAI during 2020.

#### **INTRODUCTION**

2020 certainly tested the mettle of the Institute, its leadership, and its operational capability. Proactive planning, flexibility and commitment to members and student services have been at the heart of the Institute's ability to provide uninterrupted service during the Pandemic.

The Institute's response continues to meet these challenges with empathy for our members, adaptations to fit the new normal of professional development activities, engagement with our valued partners and continuous support from the Secretariat. 2020 concluded ICATT's 50th Anniversary as a mature organisation looking to the future, our past as prologue.

#### **ICATT AGM**

The Institute hosted its Annual General Meeting virtually on July 14, 2020. The AGM, previously scheduled in March, was delayed due to gathering restrictions imposed during the COVID-19 lockdown. Mrs Denise Chinpire-O'Reilly was elected as President and Mr Dwayne Rodriguez Seijas as Vice President. Prior to her appointment as President, Mrs Chinpire-O'Reilly served for two terms as Vice-President and ex-officio member of the Licensing Committee. Mr Rodriguez-Seijas is an Assurance Partner at PricewaterhouseCoopers Trinidad and Tobago (PwC).

Council members and former President Ms Stacy-Ann Golding and Mr Dwayne Rodriguez-Seijas were re-elected. Members Anthony Pierre and Derek Mohammed retired after serving 9-year terms on Council. Both previously held the post of President of the Institute and have represented ICATT at the regional

level. The President acknowledged their service and commented that the loss of institutional knowledge as a result of the departure of these veterans of the industry and ICATT would be significant.

Two (2) new members were elected to serve on Council. They were Keith Andre Mills, a qualified accountant with over 20 years of experience in the Telecoms, Aviation, Manufacturing, Healthcare and Insurance industries, and Arun Seenath, a partner at Deloitte & Touche, who leads the Taxation and Business process services department.

#### **MEMBERSHIP**

Despite the setbacks experienced by members, surveys have shown that while most have maintained their jobs during the Pandemic, there were still some impacts personally and professionally. Many institutions froze spending and shifted their financial priorities. The Institute was able to achieve modest growth across the various categories of membership. 69 new practitioners joined ICATT, and 6 members have gone on to become Members in Practice - Audit, bringing the total to 154. Additionally, there were 7 new Members in Practice - Non-Audit and the group now totals 111.

#### **ANNUAL INTERNATIONAL FINANCE AND ACCOUNTING CONFERENCE 2020**

COVID-19 has succeeded in catapulting ICATT into the virtual world. After the successful introduction of virtual webinars and hosting a Virtual AGM, the Institute presented its signature Annual International Finance and Accounting Conference virtually for the first time on November 26 & 27, 2020. The conference theme: Navigating the New Normal

reflected the challenges presented by the global Pandemic and set out to harness the collective wisdom and experience of the finance and accounting sectors and examine the disruption, both positive and negative, posed by COVID-19.

The annual Conference continues to be a significant event on the ICATT calendar. The high level of participation in 2020 was a testament to the engagement of all partners: firms, members, sponsors and corporate colleagues.

#### **ICATT INTRODUCES WEBINAR SERIES**

Notwithstanding the reduction in income and the disruption posed to member participation in face-to-face CPD events, 2020 presented an opportunity to expand ICATT's CPD offering online. ICATT and the Association of International Certified Professional Accountants (AICPA) have entered into an International Channel Agreement which licenses ICATT to distribute a range of high-quality training material to our membership and the financial sector.

The agreement has facilitated ICATT's expansion of CPD programmes and the introduction of a Flexible Webinar Series featuring courses delivered virtually with 24/7 access to purchased programmes for up to one year. In July of 2020, ICATT achieved record participation of some 500 members on introducing the webinar series, which is offered alongside ICATT's custom webinars.

ICATT has also entered into a similar agreement with the industry-recognised PCP Ltd firm, headed by Michael Scott, who specialises in audit compliance and regulatory training.

#### **ICATT POLICY ENHANCEMENT**

With the institution of a national lockdown on non-essential businesses, Council considered and approved three policies over the period to support the operations of the Secretariat:

- Health Safety and Environment Policy
- Infectious Diseases Management
- Alternative Workplace Policy

The policies will guide the maintenance of a safe work environment for staff, establish procedures for the management of infectious diseases in the workplace and provide for the use of alternative work locations for staff while maintaining the services provided by the Institute.

#### **CONCLUSION**

The year 2020 continued to focus on membership and technology utilisation to support the delivery of better, more meaningful services.

In keeping with our plan, the Council and the Committees have extended relationships with other regulatory bodies to promote our members' interests and ensure that ICATT makes worthwhile contributions to the discussions and activities that shape the financial landscape.

The Institute looked to 2021 for greater stability for the members, families, and firms who make up the ICATT family. We see our challenge as enhancing member engagement and delivering even greater value to our members as we reach collectively towards personal, professional and industry level development and sustainability.

Creativity, innovation and pivot have become the buzz words during these challenging times, however those persons, families and entities that entered the challenging times with the most stable financial position were best able to effect the changes necessary to persevere, notwithstanding the emergence of some new parties. The Institute fortunately was an entity that entered the challenging times with a stable financial position, and it is important that this stability is maintained and strengthened to provide the resources necessary for the Institute to broaden its mandate.

# TREASURER'S REPORT



The Institute of Chartered Accountants of the Caribbean (the Institute), consistent with virtually every entity in the world, experienced the disruption of the global pandemic COVID-19 (commonly referred to as the Coronavirus), which in turn affected the financial position as of December 31, 2020 and the financial performance for the year then ended, albeit both positively and negatively.

Fortunately, the financial position of the Institute

leading in to the financial year ended December 31, 2020 represented a decent footing, sufficient to stand against the headwinds that would ensue. However, the experiences during the year further highlighted the need to develop greater sustainability for the Institute to ensure that there is always a strong foundation to withstand unexpected turbulence and provide the necessary support for the Institute in fulfilling its integral role in the Caribbean.

## Financial position

Total assets increased by \$108,342 (2019: increased by \$60,679) to \$233,879 (2019: \$125,537), principally due to the increase in cash on hand and at banks of \$104,695 (2019: increase of \$77,724) to \$186,540 (2019: \$81,845). The substantial increase in cash at banks was the result of the payments received from sponsors and persons registered for the 2020 Annual Conference, which had to be cancelled as a result of the global pandemic and related restrictions involving travel and size of social functions. Following agreement by the venue provider for the 2020 Annual Conference to cancel all bookings, waive financial penalties, and refund all deposits paid by the Institute, the Board of Directors approved the refunds of sponsorships and registration fees for parties electing for such refunds, with those payments executed in 2021. Certain persons elected to have the registration fees paid credited towards registration fees of future Annual Conferences.

Investment securities continued to be utilised in treasury management for the Institute to facilitate maximisation of investment income, however the financial resources deployed in investment securities remained consistent with the prior year, as there was limited change in excess cash resources during the current year.

Total liabilities increased by \$112,198 (2019: increased by \$27,971) to \$162,322 (2019: \$50,124), principally due to the increase in deferred income of \$112,993 (2019: \$27,052) to \$140,045 (2019: \$27,052), which represents payments received in relation to the 2020 Annual Conference, as referred to above. In the prior year, such deferred income represented membership fees received in advance following a request by the Institute to its members, to fund the financial obligations regarding the hosting of the then scheduled 2020 Annual Conference.

Total equity decreased by \$3,856 (2019: increased by \$32,708) to \$71,557 (2019: \$75,413), solely due to the net loss and total comprehensive loss for the year ended December 31, 2020 (2019: net income and total comprehensive income).

## Financial performance

Net loss and total comprehensive loss increased by \$36,564 (2019: decreased by \$99,571) to \$3,856 (2019: net income and total comprehensive income of \$32,708), due principally to significant decreases in total income, which were partly offset by decreases in total expenses.

Total income decreased by \$62,966 (2019: increased by \$50,808) to \$108,252 (2019: \$171,218), principally due to: the decrease in income from the annual conference of \$69,340 (2019: increase of \$41,488) to \$Nil (2019: \$69,340) as a result of its cancellation; the increase in income from continuing development seminar fees of \$5,160 (2019: \$8,487) to \$13,647 (2019: \$8,487), following the successful hosting of seminars on International Financial Reporting Standards (IFRS) in partnership with the Association of Chartered Certified Accountants and certain professional accountancy organisations (PAOs) comprising the Institute's membership (2019: seminars on IFRS 17 Insurance Contracts in partnership with the Insurance Association of the Caribbean); and the increase in membership fees by \$1,500 (2019: \$5,602) to \$96,612 (2019: \$95,112) based on increases in the number of underlying individual members in each of the PAOs comprising the Institute's membership.

Total expenses decreased by \$26,397 (2019: \$48,236) to \$112,108 (2019: \$138,505), principally due to: the decrease in travel and entertainment of \$13,827 (2019: \$23,297) to \$11,529 (2019: \$25,356) largely as a result of the extensive utilisation of virtual meeting facilities that the world adopted following the onset of the global pandemic, and the earlier decision by the Institute to restrict travel where possible and request the representation of the Institute by the members of the Board of Directors that were attending meetings and events

on behalf of their respective PAO; the decrease in professional fees of \$6,329 (2019: increase of \$494) to \$3,205 (2019: \$9,534) as a result of fees in relation to recruitment exercises in the prior year not being incurred in the current year; the decrease in website maintenance costs of \$5,936 (2019: increase of \$6,913) to \$2,824 (2019: \$8,760) with the prior year expense representing an investment in the enhancement of the annual conference website and certain improvements in the Institute's principal website and such investment was not required in the current year; and the decrease in annual general, board and other meetings costs of \$2,961 (2019: \$6,339) to \$3,379 (2019: \$6,340) as a result of the utilisation of virtual meeting facilities.

Certain of the cost containment measures implemented during the prior year continued to inure to the benefit of the Institute in the current year and will do for future years, and the possibility of greater use of digital solutions such as virtual meeting facilities will assist in the Institute's representation on accountancy bodies and at international events. Regardless, strategic decisions will be required in relation to the aforementioned representation to ensure the collective views of the PAOs in the Caribbean are appropriately presented, which will require the requisite funding.

## The way forward

As discussed in the prior year, following analyses of the primary drivers of income for the Institute, it was determined that the annual conference should be hosted in Miami, Florida in the United States of America every three (3) years to: reduce the volatility in the income from the annual conference, as a result of hosting the event in Caribbean territories with different cost structures; and maximise the earning potential through a hosting site central to all participants. However, the global pandemic interrupted the plans for 2020, and the hosting of the event in Miami, Florida will take place when travel confidence and restrictions on the size of social functions are conducive. For 2021, plans have been made for the 2021 Virtual Annual Conference, with the same lineup of dynamic speakers and topics. The 2021 Virtual Annual Conference is set to achieve multiple purposes including the professional development of participants, the piloting of hosting a major event in a virtual setting, and providing funding for the initiatives of the Institute.

It is worth reinforcing that the Institute represents an integral entity in facilitating the collaboration of all professional accountants in the Caribbean, who working collectively will be far more powerful than working individually. The steadfast commitment to the Institute by its membership, and their underlying members, will be essential as the Board of Directors navigates the times ahead and devises and implements strategies to place the Institute on a stable financial foundation to facilitate its sustainability and more importantly to fund the expansion of its mandate. Such commitment will

require: financial contributions, despite the many competing priorities; in-kind contributions through shared representation at key events and meetings; and contributions to the leadership of the Institute.

Creativity, innovation and pivot have become the buzz words during these challenging times, however those persons, families and entities that entered the challenging times with the most stable financial position were best able to effect the changes necessary to persevere, notwithstanding the emergence of some new parties. The Institute fortunately was an entity that entered the challenging times with a stable financial position, and it is important that this stability is maintained and strengthened to provide the resources necessary for the Institute to broaden its mandate. To this end, the Board of Directors plans to establish segregated financial assets equivalent to the existing development fund and administrative assistance development fund with such funds being expanded and utilised for their purposes as disclosed in the financial statements. This will require bolstering the Institute's cash resources for operating activities and hence the need for members to support the income generating initiatives of the Institute.

The formal activities of the Charity fund are to be launched, and the principles that led to its founding and original funding will guide those activities. Specifically, the Charity fund will support the development of the profession by directing resources to promote the future accountants in the Caribbean.

To date, the financial position and financial performance of the Institute during 2021 have remained stable. In the 2020 Treasurer's Report, the charge to the membership was to support out-of-the-box thinking and initiatives to get the Institute through to the "other side". The Institute's financial statements proudly report that the Institute has weathered the global pandemic to-date. As economies of the Caribbean emerge from the malaise of the global pandemic, the skillsets and experiences of professional accountants will become ever more important in assisting governments to: plot economic recoveries; implement and enhance empirical-based decision making; and prepare their respective countries to be better prepared for future calamities, such as the global pandemic, that are almost certain to present themselves. Therefore, the charge to members in the current year is drawn from biblical words set out in Luke, "...to whom much is given, from him much will be required; and to whom much has been committed, much more will be asked of him".

Gowon N.G. Bowe  
Treasurer



ANNUAL REPORT 2020  
**FINANCIALS**

The Institute of Chartered Accountants of the Caribbean

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#### INDEPENDENT AUDITORS' REPORT

To the Board of The Institute of Chartered Accountants of the Caribbean

##### Our Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Institute of Chartered Accountants of the Caribbean (the Institute) as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

##### What We Have Audited

The Institute's financial statements comprise:

- the statement of financial position as of December 31, 2020;
- the statement of comprehensive income for the year ended December 31, 2020;
- the statement of changes in equity for the year ended December 31, 2020;
- the statement of cash flows for the year ended December 31, 2020; and
- notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

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##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Independence

We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

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### Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditors' report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

*Baker Tilly*  
**Chartered Accountants  
Kingston, Jamaica**

**June 23, 2021**

## STATEMENT OF FINANCIAL POSITION

As of December 31, 2020

(Expressed in United States dollars)

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
Cash on hand and at banks	3	186,540	81,845
Investment securities	4	19,635	19,541
Accounts receivable	5	19,734	14,495
Other assets	6	7,336	8,646
Property, plant and equipment	7	626	1,010
<b>Total assets</b>		<b>233,871</b>	<b>125,537</b>
<b>LIABILITIES</b>			
Accrued expenses and other liabilities	8	17,493	18,288
Deferred income		140,045	27,052
Charity fund	9	4,784	4,784
<b>Total liabilities</b>		<b>162,322</b>	<b>50,124</b>
<b>EQUITY</b>			
Capital	1	-	-
Development fund	10	35,331	35,331
Administrative assistance development fund	10	13,809	13,809
Retained earnings		22,409	26,273
<b>Total equity</b>		<b>71,549</b>	<b>75,413</b>
<b>Total liabilities and equity</b>		<b>233,871</b>	<b>125,537</b>

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

June 23, 2021  
\_\_\_\_\_  
Date

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2020

(Expressed in United States dollars)

	Notes	2020 \$	2019 \$
<b>INCOME</b>			
Membership fees		96,612	95,112
Continuing professional development seminar fees		13,647	8,487
Interest		286	134
Annual conference		-	69,340
Net foreign exchange loss		(1,362)	(1,654)
Other		(931)	(201)
		<b>108,252</b>	<b>171,218</b>
<b>EXPENSES</b>			
Salaries and employee benefits		71,456	65,008
Travel and entertainment		11,529	25,356
Occupancy costs		5,311	6,072
Bank charges		3,603	2,022
Annual general, board and other meetings costs		3,379	6,340
Printing, stationery and supplies		3,232	4,899
Professional fees		3,205	9,534
Communications		3,124	3,587
Website maintenance		2,824	8,760
Utilities		1,621	1,789
Subscription and software licenses		1,240	3,586
Courier and postage		1,008	429
Depreciation	7	384	460
Advertising and promotions		-	663
Continuing professional development seminar costs		-	-
Provision for doubtful accounts	5	-	-
Other		192	-
		<b>112,108</b>	<b>138,505</b>
<b>Net income/(loss) before tax</b>		<b>(3,856)</b>	<b>32,713</b>
Taxation	11	(8)	(5)
<b>Net income/(loss) and total comprehensive income/(loss)</b>		<b>(3,864)</b>	<b>32,708</b>

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY**  
 For the Year Ended December 31, 2020  
 (Expressed in United States dollars)

	Capital \$	Develop- ment Fund \$	Admin- istrative Develop- ment Fund \$	Retained Earnings \$	Total Equity \$
As of January 1, 2020	-	35,331	13,809	26,273	75,413
<b>Comprehensive income</b>					
Net loss	-	-	-	(3,864)	(3,864)
Total comprehensive loss	-	-	-	(3,864)	(3,864)
<b>Transfers</b>					
Appropriation of retained earnings	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
Total transfers	-	-	-	-	-
<b>As of December 31, 2020</b>	<b>-</b>	<b>35,331</b>	<b>13,809</b>	<b>22,409</b>	<b>71,549</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
 For the Year Ended December 31, 2019  
 (Expressed in United States dollars)

	Capital \$	Develop- ment Fund \$	Admin- istrative Develop- ment Fund \$	Retained Earnings \$	Total Equity \$
As of January 1, 2019	-	35,331	13,809	(6,435)	42,705
<b>Comprehensive income</b>					
Net income	-	-	-	32,708	32,708
Total comprehensive income	-	-	-	32,708	32,708
<b>Transfers</b>					
Appropriation of retained earnings	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
Total transfers	-	-	-	-	-
<b>As of December 31, 2019</b>	<b>-</b>	<b>35,331</b>	<b>13,809</b>	<b>26,273</b>	<b>75,413</b>

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2020  
(Expressed in United States dollars)

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income/(loss) before tax	(3,856)	32,713
Adjustments for:		
Interest income	(286)	(134)
Loss on disposal of property, plant and equipment	-	123
Depreciation	384	460
Provision for doubtful accounts	-	-
Taxes paid	(72)	(14)
<b>(Increase)/Decrease in operating assets</b>		
Accounts receivable	(5,239)	2,637
Other assets	1,374	(1,137)
<b>Increase/(Decrease) in operating liabilities</b>		
Accrued expenses and other liabilities	(795)	919
Deferred income	<u>112,993</u>	<u>27,052</u>
<b>Net cash from operating activities</b>	<b><u>104,503</u></b>	<b><u>62,619</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received, net of withholding taxes	286	146
Net decrease in investment securities	<u>(94)</u>	<u>14,959</u>
<b>Net cash from investing activities</b>	<b><u>192</u></b>	<b><u>15,105</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>104,695</b>	<b>77,724</b>
Cash and cash equivalents as of the beginning of the year	<u>81,845</u>	<u>4,121</u>
<b>Cash and cash equivalents as of the end of the year</b>	<b><u>186,540</u></b>	<b><u>81,845</u></b>

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020  
(Expressed in United States dollars)

### 1. General Information

The Institute of Chartered Accountants of the Caribbean (the Institute) is incorporated under the Companies Act of Jamaica, as a company without capital and limited by guarantee. The Institute is the professional accountancy organisation of the Caribbean.

The principal objectives of the Institute are to:

- promote, foster and maintain a respectable image of the accountancy profession.
- establish professional levels of competence, character and integrity.
- promote the highest standards of ethical conduct within the accountancy profession in the Caribbean, in order to serve the public's interest.
- promote the harmonisation of accounting and auditing standards in the Caribbean, as well as company and taxation legislations among countries in the Caribbean.

Further, the Institute implements various initiatives, including a regional practice monitoring programme, to strengthen and enhance the capacity of accountancy and other finance professionals in the Caribbean, as well as meet obligations of its member institutes in the International Federation of Accountants (IFAC). The Institute also hosts an annual conference, and other continuing professional development seminars to provide a forum for the sharing of knowledge and experience that benefits accountancy and finance professionals.

The Institute grants membership to professional accountancy organisations in countries in the Caribbean and affiliations to international professional accountancy organisations. The membership and affiliations comprise:

#### Members

The Bahamas Institute of Chartered Accountants (BICA)  
 The Institute of Chartered Accountants of Barbados (ICAB)  
 The Institute of Chartered Accountants of Belize (ICA-Belize)  
 The Institute of Chartered Accountants of Guyana (ICAG)  
 The Institute of Chartered Accountants of Jamaica (ICAJ)  
 The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC)  
 The Institute of Chartered Accountants of Trinidad & Tobago (ICATT)  
 The Suriname Chartered Accountants Institute (SCAI)

#### Associates

Turks and Caicos Society of Professional Accountants (TCISPA)

#### Affiliates

The Association of Chartered Certified Accountants (ACCA)  
 The American Institute of Certified Public Accountants (AICPA)  
 The Chartered Institute of Public Finance and Accountancy (CIPFA)  
 Chartered Professional Accountants of Canada (CPA-Canada)

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 *(Continued)*  
 (Expressed in United States dollars)

**1. General Information (Continued)**

Certain members are also members of IFAC.

The registered office of the Institute is situated at 6 Lockett Avenue, Kingston, Jamaica.

**2. Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), and under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Institute's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Notes 2(d), 2(e) and 2(j).

*New standards, amendments and interpretations adopted by the Institute*

Standards and amendments and interpretations to published standards that became effective for the Institute's financial year beginning on January 1, 2020 were either not relevant or not significant to the Institute's operations and accordingly did not have a material impact on the Institute's accounting policies or financial statements.

*New standards, amendments and interpretations not yet adopted by the Institute*

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Institute's accounting policies or financial statements in the financial period of initial application.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 *(Continued)*  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(b) Foreign currency translation**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Institute operates (the functional currency). The financial statements are presented in United States dollars (USD\$), which is the Institute's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income as a part of net income. Translation differences on monetary financial assets measured at fair value through profit or loss are included as a part of the fair value gains and losses.

**(c) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, current and savings accounts and term deposits that have original contractual maturities of three (3) months or less.

**(d) Financial assets**

The Institute classifies its financial assets into the following categories: basic financial assets and financial assets at fair value through profit or loss and loans. Management determines the classification of its financial assets at initial recognition.

*i) Basic financial assets*

Basic financial assets are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They arise when the Group provides money, goods or services to a debtor with no intention of trading the financial asset.

*ii) Financial assets at fair value through profit or loss*

A financial asset is classified into the financial assets at fair value through profit or loss category at inception if it represents an equity investment with quoted prices or readily determinable fair value.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(d) Financial assets (continued)**

Regular-way purchases and sales of financial assets are recognised on the trade date – the date on which the Institute commits to originate, purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs, except financial assets carried at fair value through profit or loss where such costs are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Institute has transferred substantially all risks and rewards of ownership. If the Institute has neither transferred nor retained substantially all the risks and rewards of ownership, an assessment is made whether the Institute has retained control of the financial assets.

Where the Institute has not retained control, financial assets are derecognised and any rights or obligations retained or created as part of the transaction are recognised as separate assets or liabilities. Alternatively, where the Institute has retained control, the Institute continues to recognise the financial assets to the extent of its continuing involvement in the financial assets.

Basic financial assets are subsequently carried at amortised cost less provisions for impairment.

Financial assets at fair value through profit or loss are subsequently measured at fair value. The fair value of financial assets traded in active markets (e.g. international securities exchange) is based on quoted prices as of the last business day of the financial reporting period. The fair value of restricted securities and other securities that are not traded in active markets is determined using valuation techniques, including comparable recent arm's length transactions, discounted cash flow analyses and other techniques commonly used by market participants.

Gains or losses arising from sales and changes in fair value of financial assets at fair value through profit or loss are recognised in the statement of comprehensive income as a part of net income in the financial period in which they arise.

**(e) Impairment of financial assets at amortised cost**

The Institute assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(e) Impairment of financial assets at amortised cost (continued)**

The Institute first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Institute determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Institute may measure impairment on the basis of an instrument's fair value using an observable market price.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income as a part of net income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income as a part of net income. When a financial asset is uncollectible, it is written off against the related allowance account.

Recoveries of amounts previously written off are recognised directly in the statement of comprehensive income as a part of net income.

**(f) Property, plant and equipment**

Property, plant and equipment are carried at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of an item.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of comprehensive income as a part of net income during the financial period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(f) Property, plant and equipment (continued)**

Depreciation is calculated using the straight-line method to allocate costs (net of residual values) over estimated useful lives as follows:

	<b>Estimated Useful Life</b>
Computers and equipment	4 – 5 years
Furniture and fixtures	5 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of comprehensive income as a part of net income.

**(g) Accounts payable**

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(h) Income and expense recognition**

Revenue is measured at the fair value of the consideration received or receivable, which represents the transaction price for the services identified as distinct performance obligations, and is recognised when it is probable that future economic benefits will flow to the Institute.

Revenue from continuing professional development seminars is recognised at a point in time when the Institute satisfies its performance obligation, which is at the time that the respective seminar is held. Amounts collected in relation to seminars to be held in future financial periods are deferred in the statement of financial position until the Institute satisfies the applicable performance obligations.

Revenue from membership fees, where the member institute simultaneously receives and consumes the benefits provided by the Institute, is recognised rateably over the period of the applicable membership or licence, generally on a straight-line basis. Amounts collected in relation to future financial periods are deferred in the statement of financial position and recognised over the applicable membership period to which the fees relate. All membership fees are for fixed amounts.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(h) Income and expense recognition (continued)**

Specific contributions from members received to subsidise specific initiatives of the Institute, including but not limited to scholarships and building funds, are deferred and recognised as income in the financial period in which any conditions attached to them have been satisfied and by reference to the financial period in which the Institute recognises as expenses the related costs that such contributions are intended to defray. These amounts are presented gross in the statement of comprehensive income.

Interest income and expense are recognised in the statement of comprehensive income for all financial instruments measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Institute estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

All other income and expenses are recognised on the accrual basis of accounting.

**(i) Leases**

Leases, in which the Institute is lessee, comprise operating leases. Rent expense is recognised over the term of the lease on a straight-line basis.

**(j) Taxation**

The Institute is incorporated under the laws of Jamaica and is subject to income, capital gains and other corporate taxes, subject to exemption from income tax under the mutuality principle in respect of income derived from transactions with member institutes.

Income tax payable is calculated on the basis of the applicable tax law and is recognised as an expense in the financial period in which it is incurred. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the date of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**2. Summary of Significant Accounting Policies (Continued)****(j) Taxation (continued)**

The principal temporary differences arise from tax losses that can be carried forward. Deferred tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**(k) Fiduciary activities**

The Institute acts in certain fiduciary capacities that result in the holding or placing of assets on behalf of its member institutes. These assets are included in the financial statements and are restricted, as they do not belong to the Institute, and corresponding liabilities are recognised.

**(l) Corresponding figures**

Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year.

**3. Cash on Hand and at Banks**

	2020 \$	2019 \$
Cash on hand	40	1
Savings accounts at banks	<u>186,500</u>	<u>81,844</u>
<b>Total</b>	<b><u>186,540</u></b>	<b><u>81,845</u></b>

Deposits with banks earn interest at rates ranging from 0.10% to 1.50% (2019: 0.10% to 1.50%) per annum.

For the purposes of the statement of cash flows, cash and cash equivalents comprise total cash on hand and at banks.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**4. Investment Securities**

*Financial assets at fair value through profit or loss*

	2020 \$	2019 \$
Investment funds	<u>19,620</u>	<u>19,526</u>
	19,620	19,526
Accrued interest	<u>15</u>	<u>15</u>
<b>Total</b>	<b><u>19,635</u></b>	<b><u>19,541</u></b>

Certain investment funds earn interest at a rate of 0.75% (2019: 0.75%) per annum.

**5. Accounts Receivable**

	2020 \$	2019 \$
Membership fees	9,550	8,540
Conference and joint seminar income	13,647	8,487
Other	<u>-</u>	<u>931</u>
	23,197	17,958
Provision for doubtful accounts	<u>(3,463)</u>	<u>(3,463)</u>
<b>Total</b>	<b><u>19,734</u></b>	<b><u>14,495</u></b>

Movements in provision for doubtful accounts comprise:

	2020 \$	2019 \$
Balance as of the beginning of the year	3,463	3,463
Provision for doubtful accounts	-	-
Bad debts written off	<u>-</u>	<u>-</u>
<b>Balance as of the end of the year</b>	<b><u>3,463</u></b>	<b><u>3,463</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 (Continued)  
(Expressed in United States dollars)

## 6. Other Assets

	2020 \$	2019 \$
Tax recoverable	7,222	7,158
Prepaid expenses	114	1,204
Other	-	284
<b>Total</b>	<b><u>7,336</u></b>	<b><u>8,646</u></b>

## 7. Property, Plant and Equipment

	Furniture & Fixtures \$	Computers & Equipment \$	Total \$
<b>Year ended December 31, 2020</b>			
Opening net book value	421	589	1,010
Additions	-	-	-
Disposals	-	-	-
Cost	-	-	-
Accumulated depreciation	-	-	-
Depreciation	<u>(107)</u>	<u>(277)</u>	<u>(384)</u>
<b>Closing net book value</b>	<b><u>314</u></b>	<b><u>312</u></b>	<b><u>626</u></b>
<b>As of December 31, 2020</b>			
Cost	2,790	5,997	8,787
Accumulated depreciation	<u>(2,476)</u>	<u>(5,685)</u>	<u>(8,161)</u>
<b>Net book value</b>	<b><u>314</u></b>	<b><u>312</u></b>	<b><u>626</u></b>
<b>Year ended December 31, 2019</b>			
Opening net book value	538	1,055	1,593
Additions	-	-	-
Disposals	-	-	-
Cost	-	(2,597)	(2,597)
Accumulated depreciation	-	2,474	2,474
Depreciation	<u>(117)</u>	<u>(343)</u>	<u>(460)</u>
<b>Closing net book value</b>	<b><u>421</u></b>	<b><u>589</u></b>	<b><u>1,010</u></b>
<b>As of December 31, 2019</b>			
Cost	2,790	5,997	8,787
Accumulated depreciation	<u>(2,369)</u>	<u>(5,408)</u>	<u>(7,777)</u>
<b>Net book value</b>	<b><u>421</u></b>	<b><u>589</u></b>	<b><u>1,010</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 (Continued)  
(Expressed in United States dollars)

## 8. Accrued Expenses and Other Liabilities

	2020 \$	2019 \$
Due to member institutes	13,031	13,031
Other	<u>4,462</u>	<u>5,257</u>
<b>Total</b>	<b><u>17,493</u></b>	<b><u>18,288</u></b>

## 9. Charity Fund

The Charity Fund represents a fund established following contributions made at an annual conference to facilitate the participation of the accountancy profession in the Caribbean in charitable endeavours through the Institute, as fiduciary manager. The Charity Fund is managed by an independent committee, which advises the Institute on the management and activities of the Charity Fund. The financial assets related to the Charity Fund are restricted, and not available for use by the Institute in its operations.

Movements in the Charity Fund are as follows:

	2020 \$	2019 \$
Balance as of the beginning of the year	4,784	4,784
Contributions	-	-
Charitable donations	<u>-</u>	<u>-</u>
<b>Balance as of the end of the year</b>	<b><u>4,784</u></b>	<b><u>4,784</u></b>

## 10. Equity Reserves

The Institute has established the following funds through appropriation of retained earnings, for the respective purposes:

*Development Fund*

The Development Fund was established to provide funding for costs associated with the development of the accountancy profession in the Caribbean, including the harmonising of regulatory activities of member institutes.

*Administrative Assistance Development Fund*

The Administrative Assistance Development Fund was established to provide funding for costs associated with supporting smaller member institutes in the development of their respective professional accountancy organisations.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**11. Taxation**

	2020 \$	2019 \$
<b>Current year tax expense</b>	<u>8</u>	<u>5</u>
The taxation charge in the statement of comprehensive income differs from the theoretical amount that would arise using the appropriate income tax rate, as follows:		
	2020 \$	2019 \$
Net income/(loss) before tax	<u>(3,856)</u>	<u>32,713</u>
Tax calculated at 25.00%	(964)	8,178
Income not subject to taxation	(27,565)	(43,236)
Expenses not deductible for tax purposes	28,537	35,067
Tax losses utilised	<u>-</u>	<u>(4)</u>
<b>Taxation</b>	<u><b>8</b></u>	<u><b>5</b></u>

Effective April 1, 2019, tax legislation was enacted to eliminate the minimum taxation of Jamaican dollars (J\$) 60,000.

As of December 31, 2020, the Institute has accumulated losses for tax purposes, which may be carried forward and set off against future taxable, totalling \$1,105 (2019: \$1,136), subject to approval by the relevant tax authority. The accumulated losses may be carried forward indefinitely, however utilisation in any given year is restricted to 50.00% of taxable income.

As of December 31, 2020, the Institute has a potential deferred tax asset totalling \$235 (2019: \$284), which has not been recognised in the financial statements.

**12. Related Party Balances and Transactions**

Related parties include key management personnel (including Directors); entities that have the ability to control or exercise significant influence over the Institute in making financial or operational decisions; and entities that are controlled, jointly controlled or significantly influenced by key management personnel and entities noted earlier.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**12. Related Party Balances and Transactions (Continued)**

Related party balances and transactions, not disclosed elsewhere in these financial statements, are as follows:

	2020 \$	2019 \$
<b>EXPENSES</b>		
Salaries and employee benefits		
Key management personnel	59,560	54,000

**13. Commitments***Lease commitments*

The lease commitments of the Institute are currently on month to month, with three (3) months notice of termination.

*Annual conference*

The Institute had entered into a contract for the hosting of the annual conference, which contained financial commitments of up to \$181,228 as of December 31, 2019 that were extinguished during the year.

**14. Capital Management**

The Institute's objectives when managing capital, which comprises total equity on the face of the statement of financial position, are:

- To safeguard the Institute's ability to continue as a going concern so that it can continue to provide benefits for its member institutes and other stakeholders; and
- To maintain a strong capital base to support the development of its activities.

Capital adequacy is monitored by the Board of Directors.

**15. Financial Risk Management**

The Institute engages in transactions that expose it to credit risk, liquidity risk and market risk (including interest rate and currency risk) in the normal course of business. The Institute's financial performance is affected by its capability to understand and effectively manage these risks, and its challenge is not only to measure and monitor these risks but also to manage them as profit opportunities.



**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
(Expressed in United States dollars)

**15. Financial Risk Management (Continued)***Concentration of risks*

Concentration of risk indicates the relative sensitivity of the Institute's performance to developments affecting a particular industry or geographical location, and arises: when a significant proportion of financial instruments or contracts are entered into with the same counterparty; or where a significant proportion of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of liquidity risk arises from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentration of currency risk arises when the Institute has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that are historically positively correlated.

To mitigate excessive concentration of risk, the Institute's policies and procedures include specific guidelines to maintain appropriate diversification.

*Credit risk*

Credit risk arises from the potential failure of a counterparty to perform according to the terms of the contract. The Institute's exposure to credit risk is primarily concentrated in its cash at banks and accounts receivable. The Institute seeks to mitigate such risk by placing its cash with financial institutions in good standing with the Central Bank of Jamaica, and by monitoring the payment history of its member institutes and other parties before continuing to extend credit to them.

The credit quality of accounts receivable is best assessed by review of the aged analysis of accounts receivable and the provision for doubtful accounts (Note 4). Amounts with an age of thirty (30) days or less (considered current) are of better credit quality than those within the remaining categories (considered past due).

The aging of accounts receivable is as follows:

	2020 \$	2019 \$
30 days or less	13,647	8,487
31 to 90 days		-
91 to 180 days		-
181 days or more	9,550	9,471

Geographical concentrations of financial assets

The Institute has a concentration of credit risk in respect of geographical area, as its financial assets, excluding accounts receivable, are principally based in Jamaica.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
(Expressed in United States dollars)

**15. Financial Risk Management (Continued)***Liquidity risk*

Liquidity risk is the risk that the Institute might not have the necessary funds to honour all of its financial commitments. The Institute relies on the realisation of its accounts receivable, membership fee collections and net proceeds from the annual conference and continuing professional development seminars to settle its financial obligations. Further, the Institute has the ability to obtain borrowing facilities, as and when required.

The table below analyses financial assets and liabilities into relevant maturity groupings based on the remaining period to the contractual maturity dates as of the date of the statement of financial position and represent undiscounted cash flows.

	Repayable On Demand \$	Up to 3 months \$	3 to 12 Months \$	12 months to 5 years \$	Total \$
<b>December 31, 2020</b>					
<b>ASSETS</b>					
Cash on hand and at banks	186,540	-	-	-	186,540
Investment securities	19,635	-	-	-	19,635
Accounts receivable	19,734	-	-	-	19,734
Other assets	-	7,222	-	-	7,222
<b>Total financial assets</b>	<b>225,909</b>	<b>7,222</b>	<b>-</b>	<b>-</b>	<b>233,131</b>
<b>LIABILITIES</b>					
Accrued expenses and other liabilities	-	17,493	-	-	17,493
Charity Fund	4,784	-	-	-	4,784
<b>Total financial liabilities</b>	<b>4,784</b>	<b>17,493</b>	<b>-</b>	<b>-</b>	<b>22,277</b>
<b>Net liquidity gap</b>	<b>221,125</b>	<b>(10,271)</b>	<b>-</b>	<b>-</b>	
<b>Commitments</b>	<b>-</b>				

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 (Continued)  
(Expressed in United States dollars)

### 15. Financial Risk Management (Continued)

Liquidity risk (continued)

	Repayable On Demand \$	Up to 3 months \$	3 to 12 Months \$	12 months to 5 years \$	Total \$
<b>December 31, 2019</b>					
<b>ASSETS</b>					
Cash on hand and at banks	81,845	-	-	-	81,845
Investment securities	19,541	-	-	-	19,541
Accounts receivable	14,495	-	-	-	14,495
Other assets	-	7,442	-	-	7,442
<b>Total financial assets</b>	<b>115,881</b>	<b>7,442</b>	<b>-</b>	<b>-</b>	<b>123,323</b>
<b>LIABILITIES</b>					
Accrued expenses and other liabilities	-	18,288	-	-	18,288
Charity Fund	4,784	-	-	-	4,784
<b>Total financial liabilities</b>	<b>4,784</b>	<b>18,288</b>	<b>-</b>	<b>-</b>	<b>23,072</b>
<b>Net liquidity gap</b>	<b>111,097</b>	<b>(10,846)</b>	<b>-</b>	<b>-</b>	
<b>Commitments</b>	<b>181,228</b>				

Market risk

(a) Price risk

Price risk is the risk that the fair values and/or amounts realised on sales of financial instruments may fluctuate significantly as a result of changes in market prices. Price risk arises from the Institute's investments in investment funds. The investment funds have investment objectives of principal protection and are invested principally in fixed income securities of entities considered of high credit quality. Further, the Institute is able to redeem its investments on a quarterly basis. Accordingly, price risk is not considered significant.

(b) Interest rate risk

Interest rate risk is the risk that the future cash flows or the fair values of financial instruments may fluctuate significantly as a result of changes in market interest rates. The Institute's exposure to fair value interest rate risk is concentrated in its cash at banks, which have fixed interest rates. However, this risk is not considered significant and accordingly, the Institute does not seek to hedge this risk.

The Institute has no significant exposure to cash flow interest rate risk.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020 (Continued)  
(Expressed in United States dollars)

### 15. Financial Risk Management (Continued)

Market risk (continued)

(c) Currency risk

Currency risk is the risk that the fair values and/or amounts realised on settlement of financial instruments, and settlements of foreign currency transactions, will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised monetary assets and liabilities are denominated in currencies other than the Institute's functional currency. The Institute is not subject to significant currency risk as its transactions and monetary assets and liabilities are principally denominated in US\$. The Institute does not seek to hedge this risk.

### 16. Fiduciary Risk Management

The Institute is susceptible to fiduciary risk, which is the risk that the Institute may fail in carrying out certain mandates in accordance with the wishes of its members or other parties. To manage this exposure, the Institute generally takes a conservative approach in its undertakings.

### 17. Fair Values of Financial Instruments

Fair value hierarchy

The Institute ranks its financial instruments based on the hierarchy of valuation techniques required by International Financial Reporting Standards, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Institute's market assumptions. These two (2) types of inputs lead to the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Institute considers relevant and observable market prices in its valuations where possible.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**17. Fair Values of Financial Instruments (Continued)***Fair value hierarchy (continued)*

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the financial instrument.

The determination of what constitutes 'observable' requires significant judgment by the Institute. The Institute considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from the exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Financial instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

*Fair values*

Financial instruments utilised by the Institute comprise the recorded financial assets and liabilities disclosed in the financial statements. The Institute's financial instruments are principally short term in nature or have interest rates that reset to market rates; accordingly, their fair values approximate their carrying values.

Financial instruments of the Institute are principally Level 2 in the fair value hierarchy.

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020 (Continued)  
 (Expressed in United States dollars)

**18. Subsequent Events**

Subsequent to December 31, 2020, the Institute approved and settled refunds in excess of \$66,000 for those registered participants and sponsors requesting such refunds in relation to the cancelled annual conference. Other registered participants and sponsors advised that registration fees and sponsorships paid in relation to the cancelled annual conference should be carried as credits towards registration fees and sponsorships associated with future continuing professional development events.

Further, the global pandemic COVID-19 (commonly referred to as the Coronavirus) continues to negatively impact the economic performance of the jurisdictions of member institutes. Accordingly, the financial position and financial performance of the Institute will continue to be potentially negatively impacted, however, decisions and strategies taken by the Institute have limited this potential negative impact. Specifically, the Institute has reduced expenses in part through the use of digital technology, and has planned an annual conference using virtual meeting facilities during June 2021, which is expected to increase the income, profitability and liquidity of the Institute.





**The Institute of Chartered Accountants  
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