



## President's Perspective



Garth Kiddoe  
President ICAC

This being the first ICAC Newsletter published since the Annual General Meeting of the Institute and the election of the ICAC Executive for 2005/06 in Belize, Central America in June 2005, I use this opportunity to thank my colleagues on the ICAC Board and the broader profession for the opportunity and privilege of serving as President. I also thank the past presidents for their commitment, sacrifice and foresight in steering the Institute during its first twenty four years of existence.

As the region prepares for commencement of the Caribbean Single Market and Economy (CSME) in 2006, it is an excellent opportunity for us at ICAC to take stock and re-focus the Institute, as I believe that the Accountancy Profession has a most critical role to play in facilitating economic growth and sustainable development in the region. In fact, the founders of our noble institute were very clear in expressing the objects for which it was formed. These objects, as recorded in our Memorandum of Association include:

To promote regional and international harmonization of accounting principles, auditing standards and financial reporting.

To develop new knowledge in accounting, auditing, and financial reporting for the guidance of the business community, the government, the public, and its members.

To represent the accountancy professional at the national level with all Government departments in the Caribbean.

To encourage and assist the accountancy profession in the application of efficient management methods and techniques.

To serve as a clearinghouse for dissemination of information and new developments on all matters of interest to the accountancy profession.

To maintain liaison with other regional and international professional and business organizations.

To promote, foster and maintain a respectable image of the accountancy profession, establish professional levels of competence, character and integrity, and to promote the highest standards of ethical conduct within the Accountancy profession in order to serve the public interest.

To harmonize, develop and maintain appropriate standards of qualification and training within the accountancy profession.

To recognize the professions public and social responsibility by commenting on matters within its area of competence.

While considerable progress has been made on a number of these items, ICAC has consistently faced severe financial challenges and other struggles for some time.

As an essential stepping stone to achieving a turnaround in the institute's fortunes and given the objects for which the institute was established, I regard **enhancing ICAC's relevance and value to the Accountancy Profession and other stakeholders in the region** as the top priority of my presidency.

I am therefore pleased that in October 2005, the Board of Directors of ICAC was able to hold a very successful strategic planning retreat in Bridgetown, Barbados. In my view, the highlight of the retreat was an agreement on a new ICAC Vision, the Strategy Map and the nine projects, which will all command ICAC's attention in the medium term.

All but two members of ICAC were represented at the retreat. In order to ensure that the contributions of these two institutes to the future success of ICAC is not hampered by their absence from the retreat, two other directors who were present have agreed to meet with the respective Councils/membership of these institutes to brief them on the outcome of the retreat and as far as is possible to clarify any matters arising.

Among the projects identified and assigned at the retreat were:

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Goal of Projects	Lead Director
• Strengthening the <b>ICAC Annual Conference</b> as a profitable flagship event	BB
• Increase <b>membership</b> of national institutes	JH
• Boost the <b>efficiency of the ICAC Secretariat</b>	GK
• Establish for the benefit of members and non-members a <b>ICAC Research Services facility</b>	HP
• Increase the <b>International Recognition</b> of ICAC	BR
• Develop <b>relations</b> with other potential affiliate institutes and stakeholders	ES
• Develop and maintain a <b>'state of the art' website</b>	LM
• Optimum utilization of the regional <b>media</b> houses to enhance the image of ICAC	GK

These projects are all vital to the financial viability of ICAC and I invite any member of the profession in the region who would like to work with one or more of the project teams to contact your institute or the ICAC Secretariat indicating your area of interest or simply the project that excites you.

There are already encouraging signs that the momentum generated at the retreat is being maintained in some areas: In relation to international recognition, some initial but promising contacts have been made and are being pursued; preliminary work in connection with the website project has begun; and due mainly to improved Secretariat efficiency we have begun increasing services to members through the recent staging of three very successful joint CPD seminars in St Kitts and in Guyana. The seminar in St Kitts (October 10-11, 2005) was on International Financial Reporting Standards (IFRS) and the two in Guyana (November 18 & 19, 2005) on IFRS and Practice Management. The seminar in St Kitts was also attended by participants from both Nevis and Antigua & Barbuda. Special thanks to the ICAC Directors in St Kitts and in Guyana and to the staff of the ICAC Secretariat for their critical role in the successful execution of these events and to the Association of Chartered Certified Accountants (ACCA) for sponsoring one of the events in Guyana.

I believe that the image and value-adding role of the profession is benefiting from other developments in the region and the associated publicity. One of these was the Accountants Week celebration in Trinidad (November 14-18, 2005). At the invitation of the organizers, I had the honour of participating in the International Accounting Conference held on November 16, 2005. The Conference was under the theme: Accountability in the New Millennium Governance; Accountability and Performance. This happened to coincide with Trinidad and Tobago's success in qualifying for the Soccer World Cup 2006. Congratulations on both counts!!

I also highlight the 40<sup>th</sup> Anniversary celebrations of the Institute of Chartered Accountants of Jamaica (ICAJ), which will climax with an Awards Banquet on December 9, 2005. The banquet will be under the distinguished patronage of the Governor General of Jamaica, His Excellency, the Most Honorable Sir Howard Cooke, while Dr Ian Ball, Chief Executive of the International Federation of Accountants (IFAC), will give the main address. Congratulations to the ICAJ on

the occasion of its 40<sup>th</sup> anniversary and for planning what promises to be a most prestigious Awards Banquet.

Next year's ICAC Annual Conference in Barbados will be another opportunity to showcase our profession. The President of IFAC, Mr Graham Ward, has agreed to be the keynote speaker at the opening ceremony. Appropriate pre-conference media/marketing initiatives are already being planned

I am pleased that the Board of Directors at a meeting on October 1, 2005 received from the Association of Chartered Certified Accountants (ACCA), in response to our request, a proposal to operate an ICAC Caribbean wide practice-monitoring scheme. The Board unanimously approved the approach proposed by ACCA and requested that each Director seek the approval of his/her respective institute to accept the proposal.

The Board also considered the subject of annual subscription, which has been at US\$15 per member for over four years. The question of an increase for 2006, if any, is to be formally considered at our January 2006 meeting against the background of the outcome of the October 2005 Board retreat

The Board received an update on the proposed regional IDB Project aimed at enhancing compliance with IFRS and International Standards on Auditing in the region.

Further details regarding the Board retreat and meeting, may be found in this publication.

ICAC continues to play a vital role on the Board of Trustees of the Caribbean Court of Justice Trust Fund, which I also visited while in Trinidad & Tobago in November 2005. ICAC is among nine other regional organizations represented on the Board of Trustees. I must say thanks to Mr. Elson Jordan Past President, for his invaluable service to date representing the ICAC on the Board of Trustees.

I take this opportunity to thank the members of the Board of ICAC for their support and to thank also those members of the profession who have already responded to our invitation and have offered their help in support of the work of the Institute.

I wish to you and your families a happy and peaceful Christmas/Holiday Season and a prosperous 2006.

**QUOTE**

Praise a man for what he does well, and then gradually help him with his shortcomings. This method will work in an office, factory, ones home, with wife, children, parents, and with almost everyone in the world.

**From the writings of Dale Carnegie**

# BOARD OF DIRECTORS' BRIEF:



The following Directors and alternates were proposed by (i) Executing arrangements  
(ii) Counterpart Funding  
(iii) Liaison personnel.

Territory	Director	Alternate Director
Antigua/Barbuda	Cleveland Seaforth	Erwin Southwell
Bahamas	Kendrick Christie	L. Sydney Saunders
Barbados	Elson Jordan	J. Elizabeth Brathwaite
Belize	Giacomo Sanchez	Roy Pandey
Guyana	Harryram Parmesar	Rameshwar Lal
Jamaica	L. Garth Kiddoe	Leighton Mcknight
St. Lucia	Frank V. Myers	Earlene Huntley
St. Kitts/Nevis	Donald Thompson	Robertine Chaderton
T & T	Angela Lee-Loy	Kyle Rudden

The Board unanimously decided to proceed with the Regional Accounting and Auditing Standards Project to be part funded by the Multilateral investment Fund (MIF) of the Inter-American Development Bank (IDB).

The Board of Directors of ICAC approved the approach to implementing the ICAC Practice Monitoring Scheme proposed by ACCA.

At the ICAC highly successful strategic planning retreat at the Accra Beach Hotel and Resort, Barbados, the Board agreed on a new ICAC Vision and a Strategy Map.

the respective territories to serve for the year ending June 30, 2006:

The ICAC flag was launched, at the 23<sup>rd</sup> Conference of Accountants to enhance the identity of the Institute.

ICAC sent a letter responding to the IDB e-mails of January 17 and March 07, 2005 commenting on:

## CONFERENCE 2006

The 24<sup>th</sup> Annual Caribbean Conference of Accountants, will be hosted by the Institute of Chartered Accountants of Barbados, over the period June 8-10, 2006. The Conference Hotel will be the new 5-star Hilton Barbados, which was officially opened on June 6<sup>th</sup>, 2005. It features 350 ocean view guest rooms including 77 executive floor rooms and 33 suites.

The conference theme "*Sharpening the Edge*" was chosen as we reinforce the presence of the profession in business, as providing the tools needed to manage change and remain competitive. The Conference programme is designed around

this theme as we review the challenges to business that we face through changing standards and the Caribbean Single Market and Economy becoming a reality.

At our 2006 conference we will have the pleasure of hosting the President of IFAC Mr. Graham Ward. We felt it extremely important to have Mr. Ward with us as IFAC continues to debate the merits of sanctioning a separate set of financial reporting standards for SME's. This topic is extremely relevant to the Caribbean as we migrate towards economic unity and SME's continue to be the largest growing industry segment in the Caribbean.

## BENEFITS OF ICAC MEMBERSHIP

The Institute of Chartered Accountants of the Caribbean (ICAC) is a grouping of Accounting Institutes that currently has in its membership the following:

- The Institute of Chartered Accountants of Jamaica
- The Institute of Chartered Accountants of Trinidad and Tobago
- The Institute of Chartered Accountants of Barbados
- The Institute of Chartered Accountants of Belize
- The Bahamas Institute of Chartered Accountants
- The St. Kitts/Nevis Association of Chartered Accountants.
- The Institute of Chartered Accountants of St. Lucia
- The Institute of Chartered Accountants of Antigua & Barbuda
- The Institute of Chartered Accountants of Guyana

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

### Membership benefits includes:

- The opportunity to serve on the various Regional Committees

of the ICAC, thereby having an input in the operation and development of the regional accountancy profession.

- The opportunity to provide leadership on emerging issues as they affect the accountancy profession in the region.
- Advantage of Caricom mobility under the Protocol II arrangements, which provide for the free movement of certain personnel throughout the Caribbean community.
- Preferential rates for the ICAC annual Conference of Accountants as well as seminars held jointly with territorial institutes or affiliates (Association of Chartered Certified Accountants; Certified General Accountants Association of Canada; Institute of Chartered Accountants in England and Wales).
- Benefits of a regional Practice Monitoring Scheme being implemented by the ICAC to enhance the regulatory capacity of the profession in the region.

# TERRITORIAL UPDATE

## BAHAMAS

### ● NEW BICA LEADERSHIP ELECTED FOR 2005-2006

The Following Executives were elected:

- |                                  |                      |
|----------------------------------|----------------------|
| ▪ President                      | Kendrick K. Christie |
| ▪ 1 <sup>st</sup> Vice-President | Paula Rigby-Johnson  |
| ▪ 2 <sup>nd</sup> Vice-President | L.Sydney Saunders    |
| ▪ Treasurer                      | Lambert Longley      |
| ▪ Secretary                      | Milford Lockart      |

BICA was successful in relocating its' head office almost immediately after the election of officers for the upcoming year. This was a mammoth task and the executives along with the Secretariat were quite involved in making this a reality.

### ● IDB PROJECT

BICA continues to proposed the grant from the International Development Bank and via talks with accounting firms and The Central Bank is quite convinced this project will be beneficial to The Bahamas and the region.

### ● Cayman Society of Professional Accountants (CISPA)

BICA was approached by CISPA and was asked to sponsor them into the International Federation of Accountants (IFAC). After much discussion and research, BICA issued a sponsor letter to IFAC on behalf of CISPA. In addition, ICAC was advised to once again re-invite this body for membership because the leadership had changed.

### ● Committee highlights include:

#### ➢ Continuing Professional Education (CPE)

This committee has been quite active in planning a recent day of CPE and the flagship event for BICA Accountants' Week. This was held from November 5 to November 12, 2005, and featured topics such as Financial Scams, The Impact of Money Laundering on the Accounting Profession, A Historical perspective of BICA and International Financial Reporting Standards Update which was hosted by Deloitte & Touche.

The Committee recently held a one day seminar on October 6 entitled- Foreign Investment in The Bahamas: What brings it here and what keeps it here? Featured speakers included the Deputy Director of Tourism- Mr. Tommy Thompson and Mr. Christopher Baker. On October 5, The BICA CPE committee also co-sponsored a seminar with the Bahamas Financial Services Board and Bar Association on Taxation. The committee is exploring hosting CPE with other bodies, inviting members from ICAC and other international bodies to speak.

#### ➢ Website & Public Relations

The website- [www.bica.bs](http://www.bica.bs) continues to show a marked increase in visitors. Hits to the site now average about 25 per day and increase to the hundreds on certain days. BICA has provided access to restricted downloads to a number of members, the "downloads section" includes a variety of presentations and also Professional Practice Notes on Anti-Money Laundering and Corporate Governance.

BICA enjoys good public relations through a number of articles published in the local newspapers including an article quoting the President which featured his comments supporting a need for Limited Liability for practicing public accountants in The Bahamas. The committee has also obtained approval from Council to launch a campaign to adopt a motto. All members are eligible to give their suggestion for a suitable motto, one that will capture the spirit and aims of the Institute. The committee also plans to issue a newsletter quarterly and the first issue will be published during Accountants Week.

#### ➢ Legislative

The legislative committee is currently reviewing the suggested changes to the 1991 Public Accountants Act. These changes are significant and include provisions to license accounting firms, relief in fees for retirees or semi-retirees and entrenching the position on license requirements.

#### ➢ Student Education

The committee has launched the "Account for Your Future" programme that targets young students in high school and undecided students in college. This programme encourages them to look at accounting as an option and to understand the many opportunities in accounting. The committee recently participated in the Bahamas Financial Services Careers Fest on October 11 and 12, which was well received. The committee is exploring dates to visit local high schools and is revising the BICA student education booklet.

## BARBADOS

The Institute of Chartered Accountants of Barbados conducted the following seminars over the period June to November 2005

DATE	TOPIC	VENUE	ATTENDED
June 24	International Financial Services	Hilton Hotel	77 persons
August 29	Strategic Planning	Hilton Hotel	60 persons
Sept 14	International Financial Reporting Standards	Sherbourne Conf. Center	119 persons
Sept 30	Captive Insurance	Hilton Hotel	55 persons

All seminars stimulated vibrant and thought provoking discussions, and participants were all enriched for having attended.

## NOV 18 - ANNUAL CONFERENCE

### INSTITUTE OF CHARTERED ACCOUNTANTS OF THE Eastern Caribbean (ICAEW)

● The main focus of the institute over the period being considered (June Nov. '05) is the formation of branches in the following territories namely, St. Vincent, Dominica and Grenada.

● A meeting was held in St. Lucia on Saturday November 12, with the main agenda item being the organizing of the Institute in preparation for the first general meeting in February 2006.

## JAMAICA

### ● ICAJ'S 40<sup>th</sup> ANNIVERSARY AWARDS BANQUET

The Institute of Chartered Accountants of Jamaica (ICAJ), in celebration of its 40<sup>th</sup> Anniversary, will be hosting an Awards Banquet at the Jamaica Pegasus Hotel, Kingston on Friday, December 9.

### ● ICAJ/IDB PROJECT UPDATE

Implementation of activities under the ICAJ/IDB Technical Project aimed at ensuring the effective application of and compliance with international accounting and auditing standards among members and other stakeholders is ongoing.

### ● NEW ICAJ LEADERSHIP ELECTED FOR 2005/2006

The Institute's 40<sup>th</sup> Annual General Meeting & Luncheon was held on July 27, at which the following Principal Officers were elected for the period 2005/2006:

- |                          |                  |
|--------------------------|------------------|
| ● Mr. Leighton McKnight  | - President      |
| ● Miss Prunella Vassell  | - Vice-President |
| ● Mr. Archibald Campbell | - Treasurer      |

- Mr. Victor Markman - Secretary

### ● ICAJ HOSTS STAKEHOLDERS' FORUM ON SMEs

The ICAJ, through its Accounting Standards Committee, hosted a forum on Wednesday, September 21 at the Hilton Kingston Hotel, with stakeholders to respond to a questionnaire issued by the International Accounting Standards Board (IASB).

### ● CONTINUING PROFESSIONAL EDUCATION SEMINARS

- A seminar entitled, "Taxation: Understanding Your Tax Liabilities & Compliance Issues" was held on Wednesday, June 8. The topics addressed included the National Budget and Tax Reform Policy, Compliance Issues, Liabilities of Directors under Various Acts and Computation of Profit Tax on Business.
- An Audit Practice seminar on, "Higher Standards...Greater Efficiency" was held on July 23. Topics covered were, International Standards on Auditing, Construct of Audit Files, Use of Technology in Your Practice, Public Bodies Management and Accountability Act (Implications for Auditors) and an Overview of ICAJ Bye-Laws and Codes.
- A seminar entitled, "Protecting Your Identity and Intellectual Assets" was held on October 8, 2005. Topics included the, Legal Aspects of Intellectual Property, Accounting for Intellectual Property & Goodwill and Identity Theft.

### ● ICAJ HOSTS PUBLIC FORUMS

- The Institute of Chartered Accountants of Jamaica (ICAJ) hosted a public forum entitled, **Corruption & Public Policy: Success or Failure?** on Wednesday, September 28, 2005 at the Knutsford Court Hotel. The forum was in keeping with ICAJ's efforts to increase the contribution of members of the Accountancy profession to the debate on issues of national importance.
- A Taxation Forum was held on Wednesday, November 16, 2005 at the Jamaica Pegasus Hotel with approximately 150 persons in attendance. The forum provided an opportunity for accountants to discuss tax related issues. Resource persons to hear the attendees concerns included Mrs. Vinette Keene, the Director General of Tax Administration Directorate, as well as individuals from the Inland Revenue Department..

### ● GRADUATION 2005

#### ➤ CAT Graduation Ceremony:

On August 31, 2005, the ICAJ and ACCA recognized the achievement of **185** students who successfully completed the June and December 2004 sittings of the Certified Accounting Technician (CAT) Examination. The Graduation Luncheon took place at the Knutsford Court Hotel.

#### ➤ ICAJ/ACCA Joint Graduation Ceremony:

The Institute of Chartered Accountants of Jamaica and the Association of Chartered Certified Accountants honoured **97** students who successfully completed the December 2004 and June 2005 sittings of the Joint Scheme Examination

### ● IASB WORLD STANDARD SETTERS MEETING

Jamaica was represented by ICAJ's Vice-President and Chairman of the Public Relations & Publications Committee, Miss Prunella Vassell, at the annual International Accounting Standard Board's (IASB) World Standard Setters Meeting held in London on September 26 & 27, 2005.

#### What's Coming Up:

- **December 9, 2005** - 40<sup>th</sup> Anniversary Gala Dinner, *Jamaica Pegasus Hotel*
- **January 8, 2006** - 41<sup>st</sup> Anniversary Church Service (Kingston)
- **January 15, 2006** - 41<sup>st</sup> Anniversary Church Service

(Montego Bay)

- **January 25, 2006** - 41<sup>st</sup> Anniversary Luncheon (Montego Bay)

### St. KITTS/NEVIS

● The Association had its General Meeting in July 2005, where the President, Mr. Donald Thompson, presented the following:

- A report on the 23<sup>rd</sup> Conference of Accountants held in Belize from June 23-25.
- Plans for the up-coming year
- The proposal for the Association to host the 2007 Conference of Accountants to be held at the Marriot.

The meeting unanimously agreed with the latter proposal.

● The President traveled to Nevis on October 03, to update that Association on the Annual Conference, the newly formed Institute of Chartered Accountants of the Eastern Caribbean and on developments in the ICAC.

### ● CONTINUING PROFESSIONAL EDUCATION SEMINARS

- In light of the far-reaching implications of International Financial Reporting Standards (IFRS) for reporting enterprises, the Association in collaboration with the ICAC hosted a two-day workshop on IFRS from October 10 - 11. The Presenters were Mr. David Raggay quality assurance partner of Pierre, Raggay & Co. / IFRS Consultants as well as Dr. Robertine Chadderton.

- Topics covered included: Property, Plant and Equipment, Impairment of Assets, Financial Instruments, Non-current Assets Held for Sale and Discontinued Operations. The topics stimulated vibrant discussions and feedback indicated that all felt enriched for having attended this seminar.

### ● RETREAT BRIEFING

At the Association's general meeting held November 02, the ICAC Treasurer, Mr. Brian Robinson, updated the meeting on the following:

The strategic planning retreat in Bridgetown, Barbados held over the two days October 1-2, 2005.

The Association of Chartered Certified Accountants (ACCA) proposal to operate an ICAC Caribbean wide practice monitoring scheme.

In addition, Mr. Robinson advised that the ACCA proposal does not include the Eastern Caribbean countries. This is so, as the ICAC Secretariat has not yet received the relevant data on practicing members from the local institutes. He encouraged the Association to submit the data as soon as possible.

### ● NATIONAL CONSULTATION

The President represented the Association at a national consultation forum to discuss the economy and the budget, presented by the Prime Minister and the Governor General on Wednesday November 09.

#### What's Coming Up:

- Annual get together on December 08.

### St. LUCIA

Activities in St. Lucia was temporarily put on hold because the President, Mr. Frank Myers, who is also the Secretary of the newly formed Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) was busy traveling to St. Vincent, Dominica and Grenada to assist in organizing the formation of those Institutes.

## EXTRACT FROM THE CHANGING ROLE OF THE CHIEF FINANCIAL OFFICER IN A POST - SARBANES OXLEY WORLD



*Contributed By John Howard  
Caribbean representative for the  
Institute of Chartered Accountants  
in England & Wales*

Chief Financial Officers need to strike the right balance between being both a business partner and a financial steward due to the significant shifts in the CFOs role in the past 15 years. Advances in technology and outsourcing had freed up significant time for the CFO to provide analysis and decision support, rather than simply 'crunching the numbers'.

Part of the reason Sarbanes-Oxley (SOX) came into effect was because CFOs had gotten 'too close to the business', and by the later 1990's were no longer providing an independent check of the CEO's plans. The starkest example of this, was that the CFO of Enron held an MBA, and was not even a trained accountant. The huge bankruptcies of Enron and Worldcom proved to be a turning point for CFOs, who since then have typically been required to spend more time on compliance than strategy and business support.

The SOX legislation was necessary and well intentioned, but in the context of the US rules based approach it had become very

burdensome on businesses, with one study putting the overall cost to shareholders of implementing SOX at US\$1.4 trillion.

Most companies in the Caribbean are not required to comply with SOX. He contrasted the situation in the Caribbean with that of private companies in the US, which are also not required by law to comply with SOX. He reported that there has actually been a widespread adoption of parts of SOX by those non-listed US companies, such as protecting 'whistleblowers' and establishing independent audit committees. The main reasons cited for voluntary adoption were as an investment in the quality of financial reporting and as a condition of association for directors, investors and auditors.

He went on to say that "a voluntary approach to SOX could be achieved by implementing the most relevant parts of this corporate governance legislation". He explained that, since it would not be legislated, it could be implemented much more cost-effectively in the Caribbean. Mr. Howard suggested that one of the benefits of implementing SOX is that investors are likely to pay a premium to invest in a well governed company with a lower risk of earnings surprises.

He concluded that Caribbean companies adopting best practice corporate governance would improve risk management and enhance the quality of their earnings. By doing so, shareholders would be less likely to see a repeat of Enron in the region, and an expensive, legislated SOX approach could be avoided.

## Congratulations to the Institute of Chartered Accountants of Jamaica on the Occasion of their 40<sup>th</sup> Anniversary

At a time when the global accountancy profession is emerging from the challenges of the late 20<sup>th</sup> century, it is noteworthy that here in the Caribbean we have had a cadre of regional professionals the quality of whose contributions over the years has built and sustained the high esteem, professional image and public confidence with which the region's accountancy profession has come to be characterized.

Among the stalwarts on this journey has been the Institute of Chartered Accountants of Jamaica (ICAJ). This year, they celebrate their 40<sup>th</sup> anniversary. This auspicious occasion is truly noteworthy. Time has taken the ICAJ on what can only be described as a truly historic journey, for, along the way several landmarks and milestones have been red-lettered, marked and achieved.

The ICAJ has been at the forefront of advancing the cause of professional accountancy studies in Jamaica producing a cadre of accountancy professionals who have made a sterling contribution to the economic and social development of Jamaica and indeed the region. It is noteworthy for us as well, that our first

president, Mr. Aulous Madden, was sourced from the organs of the ICAJ. Arguably, it may be said that the Institute of Chartered Accountants of the Caribbean (ICAC) has its genesis in the ICAJ.

The ICAJ's efforts reaches and resonates within the organs of the ICAC and over time we have been able to advance the agenda of Caribbean Chartered Accountants because of the regional perspective that is embraced in the vision of the ICAJ. The ICAC's agenda as shaped by the expectations of the Caribbean Single Market and Economy for example, is in no small way, a reflection of the quality of the deliberations that the ICAJ has brought to its strategic perspectives and thinking on this critical regional imperative.

It warms the heart of the ICAC to extend congratulations to the ICAJ on the occasion of this, its 40<sup>th</sup> anniversary and the Board of Directors, extends best wishes for the years ahead.

*Institute of Chartered Accountants of the Caribbean*



# PRACTICE MONITORING SCHEME

The ICAC dream of implementing a Practice Monitoring Scheme for the region's accountants made a major leap towards fruition, by the proposal recently submitted by the Association of Chartered Certified Accountants (ACCA).

The Board of Directors of ICAC unanimously approved the approach to implementing the scheme and directed that each member institute seeks the approval of the ACCA proposal from their respective Councils.

Under the proposal, ACCA would undertake monitoring visits to firms on behalf of ICAC. At these visits, ACCA would assess the level of the firm's compliance with professional standards and report its findings to the respective institutes. The ICAC would retain full regulatory responsibility and, in the event of ACCA reporting that a firm had failed to comply with applicable standards, the institute would decide what action to take.

The membership of ICAC is made up of nine full members representing institutes in Antigua & Barbuda, Bahamas, Barbados, Belize, Guyana, Jamaica, St. Lucia and Trinidad & Tobago. As well as the Association of Chartered Accountants of St. Kitts & Nevis, and three affiliate members, ACCA, the Certified General Accountants Association of Canada (CGA) and the Institute of Chartered Accountants in England and Wales (ICAEW). The move

towards one regional scheme rather than separate individual schemes is driven purely by the economies of scale, which such an approach would facilitate.

Practice monitoring is an important component of the self-regulatory functions of the profession in the region and is one of the mandatory obligations of membership in the International Federation of Accountants (IFAC). A number of the member institutes of ICAC are already members of IFAC, and ICAC is currently seeking regional grouping status. Thus the President, Mr Garth Kiddoe, of this resilient 24-year-old organization, who is also the Dean of the faculty of Business and management at the University of Technology Jamaica, is of the view that they are well placed to establish such a scheme.

## Professional Indemnity Insurance

Another value-added offering being pursued by ICAC is a Professional Indemnity Insurance Scheme for practitioners. However, the feasibility and timing of the implementation of this insurance scheme hinges substantially on the number of participants. Professional Indemnity insurance is a requirement for practice but the cost of obtaining it has in many instances been prohibitive.

## The ICAC Launches Flag

At the ICAC's Directors meeting held January 2004 in St. Lucia, the Board approved the adoption of a flag. It was felt that this would identify the the unity among the member institutes of the ICAC. It is intended to communicate each member's allegiance to and forge a singleness of purpose.

enhance the brand Institute and emphasize among the member institutes of the ICAC. It is intended to communicate each member's allegiance to and forge a singleness of purpose.

The job of a flag is to focus attention on its origin in its most simplest, quickest and potent manner, preferably through the use of a single powerful image rather than several elements, thereby not diluting the potency of the symbol. We recognize that there are many mediums for embroidering the layers and textures of our history. Our belief is that the flag and the use of our logo as it's central theme, offer's visibility, instant recognition and emotional fulfillment.

In selecting the above design, two main factors were considered:

- That the flag be easily identifiable with the Institute by its member bodies and the general public, and
- That the flag be very dignified.

These objectives were accomplished by ensuring that the Institute's logo took prominence in the design, hence its' appearance in the centre of the flag and this also assists in members' easy recognition of the flag. The placement of the ICAC's logo in the centre of the flag is representative of the fact that the ICAC is an organization that encapsulates the geographical boundaries of the many Caribbean islands, and unites its accounting professionals under one banner. It also represents the equality amongst the member institutes of the ICAC.

Significance is attached to various colours and images used on flags. The blue background of the ICAC's flag represents the sky and rich Caribbean Sea, which binds the region together as one. Blue is also often associated with depth and stability. It symbolizes trust, loyalty, wisdom, confidence, faith and truth. Blue is considered beneficial to the mind and body, since it slows human metabolism and produces a calming effect. Blue is also strongly associated with tranquility and calmness and in heraldry, blue is used to symbolize piety and sincerity.

Being the only colour in the background, it's symbolic of the way in which the ICAC has embedded itself as the axis of unification of the region's accounting profession.

**"Veritas et Viritus" (Truth and Virtue).**

# CONFERENCE 2005 A SUCCESS

Members of the Accounting Profession of the Caribbean gathered in Belize for the 23<sup>rd</sup> Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) from June 23 to June 25.

The Conference, which was held at the Princess Hotel and Casino, Belize, attracted some 250 participants from nine ICAC member countries in the Caribbean as well as Canada and the United Kingdom. Delegates were accommodated at the following hotels:

Princess Hotel & Casino  
Radisson Fort George Hotel & Marina  
Belize Biltmore Plaza

The theme of the Conference was, **2005 We Harmonise**, with the main focus being on standardizing accounting practices currently

in use in the Caribbean region. The Conference provided participants with the opportunity to exchange views on how the accounting profession can become more effective in the preparation and standardization of its reporting methods throughout the region to ensure greater transparency and accountability.

Technical presentations focused on issues such as, **Regulation of the Profession, The Accounting Profession Post Sarbanes Oxley, The Changing Role of the CFO in a Post Sarbanes Oxley World, Harmonisation of Accounting Standards within the Caribbean and the Implications for the CSME, and CSME/FTAA Update**. These presentations were led by experts from the Caribbean, Canada and the United Kingdom.

## STRATEGIC PLANNING RETREAT

The Board of the Institute of Chartered Accountants of the Caribbean (ICAC) and its Affiliates had a highly successful strategic planning retreat on October 01 -02 at the, Accra Beach Hotel and Resort, Barbados. The retreat was facilitated by Messrs. Barry Eligon and Axel Kravatzky of Aegis Management Solutions Limited (of Trinidad). Here, the members of the ICAC Board met to discuss and formulate a shared vision for charting the organization's future. The objectives of the retreat were as follows:

To Celebrate the accomplishments of the Institute  
To Create a vision for ICAC for the next 3 years  
To Agree on three (3) overarching topics that will compel and inspire all ICAC stakeholders to action  
To create a roadmap of projects and commitments which will facilitate the necessary organizational changes and  
To experience a strength/positive- based approach to change.

### RESULTS

The group developed a 'first-cut' Strategic Map that would substantially shift ICAC towards an innovative, cutting-edge organization of the future.

1. The Appreciative Inquiry (AI) approach engages participants in a "4-D" Cycle of Discovery, Dream, Design and Destiny. It is a process that encourages organizations first focus and identify, times when they were at their optional best, to connect them with exceptional moments of success. This information is then used to collaboratively construct the most desirable and fulfilling future. AI challenges organizations to build on their strengths in order to create sustainable growth for the future.

2. The group established ICAC's Positive Core, which can be categorized under the following four areas:  
Strength of the ICAC  
Core Values/Best Practices to date  
The hopes and Aspirations and  
Opportunities for the future.

3. By adopting the AI approach, the Board agreed on a new ICAC Vision and a Strategic Map reflecting three provocative propositions

**International Recognition  
Expansion Caribbean and  
Improved/Enhanced Services to its' Members.**

Emerging from these three (3) themes, nine (9) projects were identified and these will command ICAC's full attention in the medium term.

The team decided that these are the elements that should be preserved when building the future, and culminated in a shared vision, stated as:

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

On day two, the group focused on creating the Strategic Map, selecting those topics they were passionate about and were willing to be assigned the task of developing.

The supporting goals, and the underlying indicators and measures for these areas of focus were also developed.



Retreat members demonstrating teamwork



# IFAC UPDATES

## IFAC COUNCIL SUPPORTS INITIATIVES TO HELP DEVELOPING NATIONS AND ENHANCE QUALITY PRACTICES BY ACCOUNTANTS WORLDWIDE

(New York/November 21, 2005) -- At its Council meeting in Auckland, New Zealand, the International Federation of Accountants (IFAC) introduced initiatives to help developing nations and further to support quality performance by accountants worldwide. In addition, it released a new information paper to clarify the roles and responsibilities of professional accountants in business, considered a revised Constitution to continue to strengthen its governance, and appointed six new Board members.

### Developing Nations Initiative

Recognizing the critical role of the accountancy profession in contributing to the development of national economies, IFAC released new guidance entitled, *Establishing and Developing a Professional Accountancy Body*. The release of this guide demonstrates IFAC's increasing commitment to developing nations.

### Member Body Compliance Program

Council members also addressed Part 2 of IFAC's Member Body Compliance Program. This part of the program seeks to understand how members and associates are meeting the requirements of IFAC's Statements of Membership Obligations (SMO's), which establish requirements for members and associates to promote, incorporate, and assist in implementing international standards issued by IFAC and by the International Accounting Standards Board.

### The Roles and Domain of the Professional Accountant in Business

To facilitate understanding of the role of professional accountants in business among business leaders, management and investors, IFAC issued an information paper on the diverse roles, competencies and value of the professional accountant in business.

### IFAC Constitution

In a workshop session, Council reviewed a proposed revision to the IFAC Constitution designed to strengthen the organization's governance arrangements both to enhance its operations and to conform to current best practices.

During the meeting, the Council also accepted two new organizations as associates of IFAC:

Association of Accountants and Auditors in Armenia; and  
Latvian Association of Certified Auditors.

## IAASB DEFERS EFFECTIVE DATES OF RECENT AMENDMENTS TO ISAS 200 AND 210

(New York/November 04, 2005) -- At its meeting in October, the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) agreed to defer the effective date of certain recently amended requirements and guidance related to the auditor's consideration of the acceptability of the financial reporting framework applied in preparing the financial statements.

## IFAC INVITES COMMENTS ON PROPOSED NEW GOVERNANCE STRUCTURE

(New York/November 02, 2005) -- To ensure that its governance structure is clear, understandable and robust, the International Federation of Accountants (IFAC) is inviting comments on proposed revisions to its Constitution that will better reflect the purpose of IFAC and how it will meet the expectations of stakeholders. The invitation to comment (ITC), *Proposed Revision of the International*

*Federation of Accountants' Constitution*, was developed over the past year by the IFAC Constitutional Working Group specially appointed by the IFAC Board to strengthen the organization's governance arrangements both to enhance its operations and to conform with current best practices. The ITC proposes changes to reflect a three-tiered governance document structure, which would include:

**IFAC Constitution.**

**IFAC Bylaws.**

**IFAC Policies and Procedures Manual.**

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

## TERRITORIAL UPDATE Cont'd

### GUYANA

#### CONTINUING PROFESSIONAL EDUCATION SEMINARS (CPE)

-The committee planned several CPE over the period June to November 2005. On Thursday July 22, 2005 a seminar was held reviewing several International Financial Reporting Standards (IFRS). These were IFRS 1 Presentation of Financial Statement, IFRS 8 Accounting Policies, Changes in Accounting Estimates & Errors, and IFRS 10-Events after Balance Sheet Date. Approximately, 65 participants attended.

-On Wednesday September 01, 2005 a seminar was held discussing the draft and regulations of: The Value Added Tax Act 2005.

-Another successful IFRS seminar was held on Thursday October 21 on Inventory, Properties Plant and Equipment, Leases and Impairment of Assets.

#### JOINT SEMINAR

The Institute in collaboration with the ICAC hosted two seminars. The first was held on November 18 covering Intangibles and the other on November 19, 2005 entitled, Small Practitioners' Workshop. Topics covered at the workshop included: The Use of Technology in the Practice, Risk Management, Professional Indemnity Insurance, Practice Inspection, and Challenges facing small practitioners in Guyana and the possible solutions. The Presenter was Mr. Anthony Pierre partner at Pierre, Raggay & Co. /IFRS Consultants. Both seminars were well received by the participants.

#### GRADUATION 2005

The Institute of Chartered Accountants of Guyana congratulated both the 4 students who successfully completed the June 2005 sitting of the ACCA exams, and the 40 who completed the Certified Accounting Technician (CAT) Examination.

## CONDOLENCE

The ICAC along with its Affiliates members render condolences to Dr. Robertine Chadderton and family, at the loss of her son on Friday, June 24, 2005. Your grief for the loss of your child is truly heartfelt.

**We are praying for you during this time of bereavement.**