



ICAC LINKS

INSTITUTE OF CHARTERED ACCOUNTANTS
OF THE CARIBBEAN

JANUARY - APRIL 2017 ISSUE

EDITORIAL



A new year is always a time for fresh ideas, new perspectives, hope and optimism and this year is no different for the editorial team for **ICAC L-I-N-K-S**.

This year, we hope not only to continue to bring you aspects of the newsletter with which you have become familiar, but new insights and highlights as we seek to engage more readers and heighten interest in the ICAC's quarterly newsletter. We invite you to continue to contribute your thoughts, comments and ideas on how we can improve the newsletter to better cater to your needs.

Women have and continue to make an invaluable contribution to the development of the ICAC and the accounting profession in the region. This issue features: *"Women in the Changing World of Work"* – a message by the UN Women Executive Director, Phumzile Mlambo-Ngcuka and *"Women's Initiatives: A Strategic Objective"* by Yasmine El Ramly, AICPA's Senior Technical Manager. These two articles highlight some of the invaluable achievements and contribution of women while recognizing the ongoing challenges for women globally as they strive to take their place as contributors not only in creating stable families but stable and sustainable economies. We trust that you will find our focus on women in this issue informative and interesting.

The challenges of fashioning strong, flexible and sustainable organizations, are also explored in the article: *"Creating adaptive and resilient organizations for long-term success"*. Writer Gord Beal highlights the role that CPAs can play in this regard; an observation that is as relevant for practitioners in the Caribbean as it is for those elsewhere.

As is customary, we also bring you regional and international news on the profession and the professionals in practice. As you browse this issue, we trust that your interest piqued, and that you will enjoy reading the contents as much as we have enjoyed putting the publication for your benefit.

Let us continue to strengthen the L-I-N-K-S and make the year 2017 the best yet!

Misha Lobban Clarke
Editor & Chief Executive Officer, ICAC

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This newsletter is a quarterly publication of the Institute of Chartered Accountants of the Caribbean (ICAC).

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ICAC President's Message



Jasmine Davis

The period January to April 2017 was very busy and eventful for the ICAC and the region. This being our first newsletter issue for 2017, I am using this medium to share with you some of the major activities that the ICAC has undertaken since the start of the year.

IPSAS/PFM Reform Initiative for the Caribbean

One of the most significant developments during the first quarter of the year was the publication of a study by the ICAC and the International Federation of Accountants (IFAC) on **Accrual Practices and Reform Expectations in the Caribbean**. This study was

the result of a survey undertaken during the launch event on Strengthening Public Financial Reporting and Accountability, which was hosted by the ICAC in collaboration with IFAC and the World Bank in The Bahamas in April 2016. The event which was supported by The Bahamas Government and donor partner CPA Canada, sought to explore how the accountancy profession can work with governments and public sector in the region towards IPSAS implementation and to improve public financial accounting and reporting.

The study examines the status of public financial management in the Caribbean and we are grateful for the participation and invaluable input from professional accountancy organizations (PAOs) and public sector entities from across the Caribbean in the survey. Further details on the study are highlighted on page 4 of this newsletter issue. We encourage our member bodies to share the study with the Governments and public sector stakeholders in their respective jurisdictions, as we seek to engage governments on the value and benefits of improving public sector financial management and accounting.

The **Accrual Practices and Reform Expectations in the Caribbean** Study will form the basis of the roll-out of a series of regional country-by-country roundtables led by the ICAC's PFM Reform Committee, which has representation from ICAC member bodies and donor partner CPA Canada. The roundtables scheduled to commence later this year, will be aimed at discussing and formulating a road map for the implementation of IPSAS and public financial management reform, in collaboration with the governments of the region, as part of a regional PFM reform initiative.

Membership Developments

One of the ICAC's strategic mandates is to seek to expand the membership of the ICAC within the region. In this regard, we welcomed our newest member, the Suriname Institute of Chartered Accountants (SUVA) effective January 1, 2017. We were pleased to have SUVA represented at the first meeting of the ICAC Board for the year which was held on February 19 in Georgetown, Guyana. SUVA's President Robert van Trikt, will serve as its Director on the Board while council member, Michael Lutchman will serve as Alternate Director.

Additionally, at the February Board of Directors' Meeting, the directors considered the recommendation of the Membership Committee regarding the application for membership submitted by the Turks and Caicos Islands Society of Professional Accountants (TCISPA). I am pleased to report that the Board agreed to grant Associate Membership to TCISPA for up to 3 years, during which our Membership Committee will work with TCISPA towards meeting the

requirements for full membership. The ICAC welcomes the Turks and Caicos Islands Society of Professional Accountants, and we look forward to working with the Association to further develop its governance structure and its capacity as a newly established Professional Accountancy Organization (PAO).

As the ICAC welcomed these two new bodies into its membership, we also closed another chapter following the withdrawal of affiliate member, ICAEW after 28 years. The ICAEW's decision was made following a strategic review of its role and membership within the region. The ICAC values the long-standing relationship with the ICAEW and records its appreciation for the role and contribution the ICAEW has made as an affiliate member body.

Regional and International Focus

Another important matter that has been on the ICAC Board's agenda is that of exploring the possibility of ICAC attaining official recognition status with CARICOM; how we can seek CARICOM's support for the regional PFM project and efforts to harmonize legislation across CARICOM states, as well as support for other regional initiatives of the ICAC. In this regard, the ICAC Executive and I will be meeting with representatives of CARICOM in June 2017, prior to the 35th Annual Caribbean Conference. We will provide an update on the outcome of our meeting with CARICOM in our next newsletter issue.

With respect to our mandate to increase ICAC's representation at regional and international fora, our Chief Executive Officer, Misha Lobban Clarke attended the IFAC Annual Chief Executives Forum and the first Global Communicators Forum held in New York from February 27 – March 1, 2017 and, as President, I represented the ICAC at the IFAC Board meeting on March 2-3, 2017. Both meetings focused on critical matters relating to the accountancy profession and how IFAC can play a greater role in enhancing the quality of the profession globally.

One of the key highlights of the IFAC Board Meeting was the report/update on IFAC's Strategic Regional Partner Framework Review and the outcome of the consultation which was undertaken in 2016. The Review is seeking to implement enhancements to reporting and collaboration between IFAC and its regional partners as well as changes to the RO/AG model. This process is relevant to the ICAC as an acknowledged grouping of IFAC (AG) and as such input was sought from the ICAC during the consultation. Based on the summary of the consultations presented at the IFAC Board Meeting in February 2017, with respect to the structural change involved in moving from a RO/AG model to the proposed Strategic Regional Partner (SRP) model, respondents differed. Some were generally supportive of the proposed SRP model. However, others either prefer the existing model or were unable to reach a conclusion, requesting further explanation and evidence of the reasons for the change and expressing concerns regarding possible unintended consequences, and the need to address how the model would deal with geographic overlaps among strategic regional partners.

The ICAC CEO and I also participated in meetings with IFAC's Chief Operating Officer and Executive Director, Alta Prinsloo and Joseph Bryson, Deputy Director, Quality and Membership. Matters discussed included the IPSAS/PFM Reform Initiative for the Caribbean and the Regional Action Plan for PAO Capacity Building to support the ICAC and its member bodies. The ICAC and IFAC have been discussing for the past year the Regional Action Plan for Capacity

Development, and it is anticipated that this project will support the strengthening of the ICAC and its member bodies. Another key component of this project will be support for the regional initiative to support PFM reform and the implementation of IPSAS. A project proposal to secure donor funding is now being formulated and will be presented for further discussion and sign-off at the ICAC Board meeting in June.

We also discussed the IFAC President's visit to the region and her participation as a key speaker at the annual Regional PAO Meeting and the ICAC's 35th Caribbean Conference of Accountants to be held in Guyana in June 2017. The future of the profession is an important platform that is shared by the ICAC and IFAC. In this vein, while in the region, the IFAC President and I will be attending a series of events hosted by ICAC and local PAOs to meet with accounting students and key stakeholders in Barbados, Guyana and Suriname.

35th ICAC Annual Caribbean Conference

Plans are advanced for the 35th staging of the ICAC Annual Caribbean Conference of Accountants which will be held over the period June 22-24, 2017 in Georgetown, Guyana. This year's event will be hosted by the Institute of Chartered Accountants of Guyana (ICAG) under the theme, **New Horizons - Charting the Course Together**. As with past conferences, this year's event will feature two days of technical sessions led by internationally recognized speakers and experts in their respective fields.

I take this opportunity to thank all our sponsors who have committed their support to this premier regional event. Over the years, your partnership has been invaluable to ensuring the success of our annual conference.

On behalf of the Board of the ICAC, I also thank the 2017 Conference Chair, Ramesh Seebarran and his team, who are busy planning to ensure that this year's conference is a success. We anticipate another rewarding and unforgettable event and I look forward to the usual large turn out from our respective member territories. More details on the 35th ICAC Annual Caribbean Conference are available on page 6 of this newsletter issue.

As we face the ever-changing global economy with its constant shifting that has, and will continue to establish new norms, we are challenged as accountants to uphold the standards of the profession, while responding to those changes. We must recognize that the future is here and we have a duty to support those to whom we will pass the baton. Business as usual is now business unusual. Diversity and stretching is the order of the day. We must therefore retool and embrace change as the future of the profession depends on it.

As I demit office as President of this esteemed organization in June 2017, I would like to extend warm and heartfelt thanks to the ICAC Board, Affiliates, Member Bodies and all other stakeholders for your continued support. To the ICAC CEO and Secretariat, a special thank you for accomplishing so much with so little. You are all true volunteers.

"...Celebrate the selfless individuals who channel their civic virtues through volunteerism....devoted to a cause bigger than themselves....Volunteers help drive progress, and day in and day out, they make extraordinary sacrifices to expand promise and possibility." (Barack Obama, 2016)

Jasmine Y. Davis, CPA, CA
President, ICAC



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Accrual Practices and Reform Expectations in the Caribbean: A New Study Released by IFAC and ICAC



Nearly 60% of Caribbean countries included in a recent survey have already adopted International Public Sector Accounting Standards (IPSAS) or national accounting standards based on IPSAS, and the remaining 40% are at various stages of the implementation process according to **Accrual Practices and Reform Expectations in the Caribbean**, a study conducted by the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of the Caribbean (ICAC).

This study, the result of an initial survey during the 2016 Strengthening Public Financial Reporting and Accountability conference in the Bahamas, examined the current status of public financial management (PFM) reforms in the Caribbean. It also analyzed the individual countries to assess: (a) the current and future accounting basis and reporting standards for public financial statements; (b) the current and future recognition basis for budgeting; and (c) the current and future external audit requirements for public financial statements.

"Study participants identified areas where stakeholder groups could partner to step up knowledge sharing and collaboration between governments, the accountancy profession, and other stakeholders in the Caribbean," said Jasmine Davis, ICAC President. "These partnerships may give rise to improved public financial reporting, better informed public decision making, better quality of public services, better management of assets and liabilities, better public financial management, increased accountability, and, ultimately, enhanced trust of citizens in government."

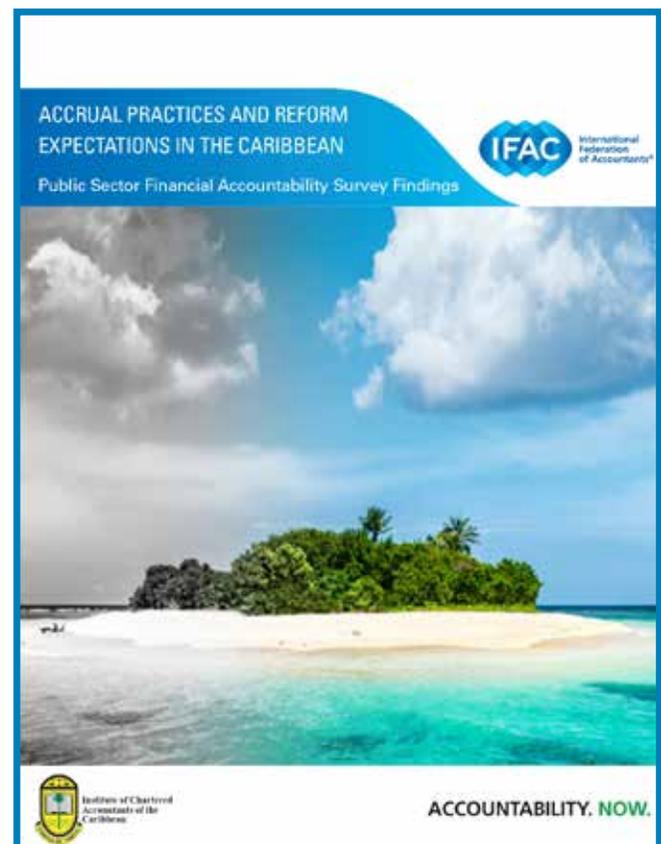
The study showed that most Caribbean countries are in the process of reforming and modernizing their financial reporting, budgeting, and auditing practices.

- After the reforms have been implemented, the regional balance will move from mostly cash-based accounting to nearly two-thirds using accrual-based accounting. In addition, 60% of those surveyed are expected to have implemented IPSAS while the other 40% will be using national standards based on IPSAS.
- For preparation of the budget, however, most central governments in the Caribbean (60%) still use the cash basis, with only Belize transitioning to accrual.
- Almost all Caribbean countries included in this study already use internationally recognized auditing standards (International Standards on Auditing or International Standards of Supreme Audit Institutions) or national standards based on international standards.

"IFAC has been a driver of change in the Caribbean to modernization accounting systems and move

toward more efficient and transparent public financial management. In collaboration with regional and national professional accountancy organizations in the Caribbean, IFAC works to promote conferences, train, and develop cooperation agreements," said Faye Choudhury, IFAC CEO." The study also suggests that most countries in the Caribbean recognize the importance of high-quality, reliable, and transparent public financial accounting and reporting arrangements and are gradually implementing reforms to achieve these desired outcomes. IFAC, through its Accountability. Now. initiative, together with the ICAC and the various Caribbean national professional accountancy organizations, continues to support this transition."

A digital version of the report can be found at on the IFAC website at http://www.ifac.org/news-events/2017-03/most-caribbean-countries-have-adopted-or-are-process-implementing-ipsas?utm_source=IFAC+Main+List&utm_campaign=6329a04c95-EMAIL_CAMPAIGN_2017_03_29&utm_medium=email&utm_term=0_cc08d67019-6329a04c95-80407193 and on the ICAC website at <http://www.icac.org.jm/news/189-a-new-study-from-ifac-and-the-icac>.



ICAC Participates in IFAC's Annual Chief Executives' Forum & 1st Global Communicators Forum



The International Federation of Accountants (IFAC) hosted its annual Chief Executives' (CEs) Forum over the period February 27-28, 2017 in New York under the theme, **Build Trust in a Changing and Digital World**.

Over 65 participants attended the annual forum including, Chief Executive of IFAC member bodies, regional organizations and acknowledged accountancy groupings, members of IFAC Planning and Finance Committee and Chairs of IFAC Committees. The ICAC was represented at the meeting by its CEO, Misha Lobban Clarke.

The 2017 CEs Forum focused on matters of relevance to the global accountancy profession, specifically related to Information Technology developments and cyber security. The meeting opened with remarks from IFAC President Rachel Grimes, followed by presentations from IBM experts who spoke on Watson and Cognitive Computing, Intelligent Automation, Cyber Security Trends, and Blockchain and Enterprise Implications. On day two of the CEs Forum participants had an opportunity to interact and engage in discussions on building trust in the context of a changing digital and economic environment.

Key speakers on day two included American economist, Columbia University professor and Nobel Laureate, Professor Joseph Eugene Stiglitz, who spoke on *Reflections on the Global Economy*, in which he highlighted the major global economic trends, and the challenges and opportunities ahead for the accountancy profession. Ben Boyd, President of Practices and Sectors for Edelman and CEO of Edelman Canada and Latin America, focused on the upheavals facing current power structures, and how organizations can act to engage their stakeholders in an era when public trust and goodwill have deteriorated.



IFAC President, Rachel Grimes (3rd from left) with ICAC CEO, Misha Lobban Clarke (right), Marva Winter, BICA Executive Officer (left) and Darnell Osborne, BICA President (2nd from left) at a dinner hosted by IFAC for participants attending the Annual Chief Executives' Forum.



Representatives from the Caribbean (seated from left to right) are joined by participants from Latin America at the 2017 IFAC CEs Dinner. Standing third from left is Joseph Bryson, Deputy Director, Quality and Membership at IFAC.

Mark Raheja, Co-founder of innovation and organizational consultancy firm August, in his presentation on *Organizational Adaptability* provided insights on how companies can become more responsive and adaptable, ensuring they have the behaviors, attributes, and practices to thrive in a new world order. IFAC's Chief Executive Officer, Fayezul Choudhury, in his presentation, *Building Trust in an Uncertain World* reflected on central questions and challenges facing the profession, its role, and strategic opportunities, considering the major social and economic shifts we are living through and the perennial objective of building trust in these increasingly uncertain times.

Richard Howitt, CEO, International Integrated Reporting Council (IIRC), provided participants with an update on the global adoption phase of the IIRC's strategy which aims to have Integrated Reporting become the accepted norm in the public and private sectors.

The CEs meeting was followed by the first Global Accountancy Profession Communicators Forum to be organised by IFAC. The Forum which was held from February 28 - March 1, 2017 was themed, **The Art and the Science of Communications**. The event was hosted by Edelman, IFAC's public relations firm, and included presentations by expert speakers on Content and New Media, How to Deal with the New Social and Digital Media Landscape, How to Reach and Communicate with Millennials, Views of the Changing Media Landscape, as well as breakout discussions and a tour of the Edelman office.

The Communicators Forum was attended by 19 representatives of 18 IFAC Member organizations including Chief Executives, and representatives of ROs and AGs. The ICAC was represented at the Forum by its CEO, Misha Lobban Clarke, who during the closing session commended IFAC's Communication Team for its foresight and leadership in hosting this event. She noted that the forum provided an opportunity for participants to engage in meaningful discussions on the rapidly changing communication landscape and how social media, digital, media relations and other forms of communications can be used to further promote the value of accountants and the profession.

"The Communicators Forum not only provided a platform for the sharing of information among participants but also invaluable insights on how to leverage social media and the new media landscape to effectively promote the accountancy profession and the role of professional accountants in a changing environment," the ICAC CEO added.



Marva Winter, BICA Executive Officer (left) and ICAC CEO, Misha Lobban Clarke (right) with Mohammed Hadi, Executive Editor of The Business Insider (centre), who presented on the Changing Nature of Journalism during IFAC's Global Communicators' Forum.

CARIBBEAN & INTERNATIONAL SPEAKERS SLATED FOR THE ICAC 35th ANNUAL CONFERENCE IN JUNE



The 35th Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) to be held on June 22-24, 2017 at the Marriott Hotel, in Georgetown, Guyana will feature an impressive line-up of regional and international speakers.

Confirmed speakers are Sir Ronald Saunders, Antigua and Barbuda's Ambassador to the United States and Rachel Grimes, President, International Federation of Accountants (IFAC); Brian McEnery, President, Association of Chartered Certified Accountants (ACCA) and Ian Ball, Chairman of CIPFA International and Chair of the Audit Committee for the financial statements of the New Zealand Government. Other conference speakers include: April Little, Partner, Grant Thornton LLP; Anthony Zamore Cyber Security Specialist, PricewaterhouseCoopers; Komal Samaroo, Chairman, Demerara Distillers Limited; Jan Mangal, Special Adviser on Oil and Gas to the Government of Guyana; Paul Murphy, Executive Vice-president, Guyana Goldfields Inc. and Marla Dukharan, Group Economist, RBC Caribbean.

The 2017 Conference will be hosted by the Institute of Chartered Accountants of Guyana (ICAG) under the theme, **"New Horizons: Charting the Course Together"**, and will focus on empowering business, finance and accounting professionals with the knowledge and strategies to advance the development of the region. Presentations and discussions on topical business issues such as the regional impact of significant international developments, the opportunities presented by emerging sectors and markets, and the challenges being faced by established industries are planned. Developments in financial reporting, auditing, public sector financial management and ethics will also be included on the agenda.

"We are confident that the diverse range of topics and the high quality of regional and international speakers will contribute significantly to an empowered regional business community and accounting profession. As with past conferences, the 35th Annual Conference is expected to attract in excess of 400 accounting and finance professionals from the Caribbean, the United Kingdom, United States and Canada," states the ICAC President, Jasmine Davis.

The wide range of topics to be addressed over the two days of technical presentations and panel discussions on June 23-24 include:

- A Caribbean Perspective of World Economic Developments
- A Future Ready Profession
- Promoting a Caribbean Brand to the World
- Cyber Security Trends
- The Future of Finance – The Impact of Disruptive Technologies
- Public Financial Accountability – Getting it Right
- Negotiation Skills for Accountants
- The Future of Gold
- Oil and Gas Prospects for the Region
- Expected Credit Loss Models – Are Our Banks Ready?
- Tourism in the Caribbean – What the Future Holds

For registration and conference details visit the conference website at <http://2017conference.icac.org.jm>

CONFERENCE EVENTS SCHEDULE

Thursday, June 22, 2017

- Arrival & Registration of Delegates
- Welcome & Cocktail Reception

Friday, June 23, 2017

- Conference Opening Ceremony
- Conference Sessions – Day 1
- President's Dinner

Saturday, June 24, 2017

- Conference Sessions - Day 2
- Conference Closing Ceremony
- Farewell Party

REGISTRATION FEES (incl. VAT):

Regular Fees	
Members*	US\$ 635
Non-Members	US\$ 690
Group**	US\$ 615
Accompanying persons (Cost includes participation in all social events)	US\$ 325

*Members include ICAC member bodies - (regional institutes), associates and affiliates (ACCA, AICPA, CPA-Canada).

** Group - minimum of 5 persons from same organization

CONFERENCE SPEAKERS



Sir Ronald Saunders
Antigua and Barbuda's
Ambassador
to the United States



Rachel Grimes
President
International Federation of
Accountants



Komal Samaroo
Chairman
Demerara Distillers Limited



Brian McEnery
President
Association of Chartered
Certified Accountants



Ian Ball
Chairman
CIPFA International



April Little
Partner
Grant Thornton LLP



Paul Murphy
Executive Vice-president
Guyana Goldfields Inc.



Jan Mangal
Special Adviser on Oil and Gas
to Government of Guyana



Marla Dukharan
Group Economist
RBC Caribbean



Anthony Zamore
Cyber Security Specialist
PricewaterhouseCoopers

ICAC WORKING FOR YOU

Spotlight on the Regional Taxation Committee



Did you know that as part of its institutional framework, the ICAC has a Committee System that exists to support the implementation of the Institute's goals and objectives? The Committees are structured on a regional basis and are as follows:

- Education & Joint Seminars
- Information & Communication Technology
- Publicity
- Membership
- Technical
- Taxation
- Public Sector Financial Management

In this issue, the spotlight will be on the ICAC Taxation Committee and the ways in which it serves you:

The Taxation Committee is chaired by Mr. Harryram Parmesar, Past President of the Institute of Chartered Accountants of the Caribbean. The members of the committee, who sit as representatives for each ICAC member body (regional accountancy institute), are:

Taxation Committee

Territory	Member Body Representative
Guyana	Harryram Parmesar (Chair)
Bahamas	Lawrence Lewis
Barbados	Wayne Lovell
Belize	Claude Burell
Eastern Caribbean	Trevor Brathwaite
Jamaica	Denzil A. Whyte
Trinidad	Nicole Joseph
Suriname	Hans Girjasing

Main Objectives

The objective of the Taxation Committee is to consider, review and present recommendations on matters of taxation and fiscal policies relevant to the regional

accountancy profession, including: changes in international and regional tax administration policies that impact the Caribbean: Double Taxation Treaties and all other regional and international agreements on taxation. The committee also seeks to facilitate discussions and exchange of ideas on tax related matters affecting the region.

Duties and Responsibilities

The duties and responsibilities of the Regional Taxation Committee include the following:

- To advise and make recommendations to the ICAC Board of Directors on:
 - Changes in international and regional tax administration policies which will impact the Caribbean Region;
 - New Double Taxation Treaties and other regional and international agreements on taxation;
 - Technical training of taxation courses, programmes, seminars and workshops to be held regionally;
 - Timely dissemination of relevant tax information affecting the region;
 - Publication of articles on Regional Tax related topics.
- To facilitate discussions, exchange ideas and experiences of tax related matters affecting the region;
- To establish a channel for ICAC Board of Directors to articulate their views and concerns on tax matters;
- To conduct technical training on taxation for the Caribbean Region;
- Any other matters as directed by the ICAC Board of Directors from time to time.

The Taxation Committee hosted its first Annual Taxation Seminar entitled, "**CARICOM Double Taxation Treaty and its Applicability in the Current Economic Environment**", in June 2015 in Trinidad. The tax seminar, which was held in conjunction with the ICAC's 33rd Annual Caribbean Conference of Accountants, attracted over 100 participants from the region's private and public sectors.

The seminar provided participants with a better understanding of the CARICOM Double Taxation Agreement, its aims and objectives as well as its applicability in the current economic environment within the region.

Think Ahead

ACCA

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Think ahead at
accaglobal.com/Caribbean

Women in the Changing World of Work: Planet 50-50 by 2030

Message by UN Women Executive Director Phumzile Mlambo-Ngcuka on International Women's Day, 8 March 2017

Across the world, too many women and girls spend too many hours on household responsibilities—typically more than double the time spent by men and boys. They look after younger siblings, older family members, deal with illness in the family and manage the house. In many cases this unequal division of labour is at the expense of women's and girls' learning, of paid work, sports, or engagement in civic or community leadership. This shapes the norms of relative disadvantage and advantage, of where women and men are positioned in the economy, of what they are skilled to do and where they will work.

This is the unchanging world of unrewarded work, a globally familiar scene of withered futures, where girls and their mothers sustain the family with free labour, with lives whose trajectories are very different from the men of the household.

We want to construct a different world of work for women. As they grow up, girls must be exposed to a broad range of careers, and encouraged to make choices that lead beyond the traditional service and care options to jobs in industry, art, public service, modern agriculture and science.

We have to start change at home and in the earliest days of school, so that there are no places in a child's environment where they learn that girls must be less, have less, and dream smaller than boys.

This will take adjustments in parenting, curricula, educational settings, and channels for everyday stereotypes like TV, advertising and entertainment; it will take determined steps to protect young girls from harmful cultural practices like early marriage, and from all forms of violence.

Women and girls must be ready to be part of the digital revolution. Currently only 18 per cent of undergraduate computer science degrees are held by women. We must see a significant shift in girls all over the world taking STEM subjects, if women are to compete successfully for high-paying 'new collar' jobs. Currently just 25 per cent of the digital industries' workforce are women.

Achieving equality in the workplace will require an expansion of decent work and employment opportunities, involving governments' targeted efforts to promote women's participation in economic life, the support of important collectives like trade unions, and the voices of women themselves in framing solutions to overcome current barriers to women's participation, as examined by the UN Secretary-General's High-level Panel on Women's Economic Empowerment. The stakes are high: advancing women's equality could boost global GDP by US\$12 trillion by 2025.

It also requires a determined focus on removing the discrimination women face on multiple and intersecting fronts over and above their gender: sexual orientation, disability, older age, and race. Wage inequality follows these: the average gender wage gap is 23 per cent but this rises to 40 per cent for African American women in the United States. In the European Union, elderly women are 37 per cent more likely to live in poverty than elderly men. In roles where women are already over-represented but poorly paid, and with little or no social protection, we must make those industries work better for women. For example, a robust care economy that responds to the needs of women and gainfully employs them; equal terms and conditions for women's paid work and unpaid work; and support for women entrepreneurs, including their access to finance and markets. Women in the informal sector also need their contributions to be acknowledged and protected. This calls for enabling macroeconomic policies that contribute to inclusive growth and significantly accelerate progress for the 770 million people living in extreme poverty.

Addressing the injustices will take resolve and flexibility from both public and private sector employers. Incentives will be needed to recruit and retain female workers; like expanded maternity benefits for women that also support their re-entry into work, adoption of the Women's Empowerment Principles, and direct representation at decision-making levels. Accompanying this, important changes in the provision of benefits for new fathers are needed, along with the cultural shifts that make uptake of paternity and parental leave a viable choice, and thus a real shared benefit for the family.

The United Nations began celebrating in International Women's Day in the International Women's Year, 1975. In 1977, the United Nations General Assembly invited member states to proclaim March 8 as the UN Day for women's rights and world peace.

In this complexity there are simple, big changes that must be made: for men to parent, for women to participate and for girls to be free to grow up equal to boys. Adjustments must happen on all sides if we are to increase the number of people able to engage in decent work, to keep this pool inclusive, and to realize the benefits that will come to all from the equal world envisaged in our Agenda 2030 for Sustainable Development.

This article originally appeared on the UN Women website: <http://www.unwomen.org/en> and has been reprinted with the permission of UN Women.



Planet 50-50 by 2030
Step It Up for Gender Equality

International Women's Day: Fact Sheet

1. The earliest Women's Day observance was held on February 28, 1909 in New York and organized by the Socialist Party of America;
2. In August 1910, an International Women's Conference was organized to precede the general meeting of the Socialist Second International in Copenhagen, Denmark;
3. On March 19, 1911 International Women's Day was marked for the first time, by over a million people in Austria, Denmark, Germany and Switzerland;
4. In 1914 International Women's Day was held on March 8, possibly because that day was a Sunday, and now it is always held on March 8 in all countries. The 1914 observance of the Day in Germany was dedicated to women's right to vote, which German women did not win until 1918;
5. In 1917 demonstrations marking International Women's Day in Petrograd, Russia, on the last Thursday in February (which fell on March 8 on the Gregorian calendar) initiated the February Revolution. Women in Saint Petersburg went on strike that day for 'Bread and Peace' - demanding the end of World War I, an end to Russian food shortages, and the end of czarism.
6. After the founding of the People's Republic of China on October 1, 1949, the State Council proclaimed that March 8 would be made an official holiday with women in China given a half-day off;
 - The first National Woman's Day was observed in the United States on 28 February 1909. The Socialist Party of America designated this day in honour of the 1908 garment workers strike in New York, where women protested against working conditions.
 - As a result of the Copenhagen initiative, International Women's Day was marked for the first time (19 March 1911) in Austria, Denmark, Germany and Switzerland, where more than one million women and men attended rallies. In addition to the right to vote and to hold public office, they demanded women's rights to work, to vocational training and to an end to discrimination on the job.
 - The United Nations began celebrating International Women's Day (IWD) on 8 March during International Women's Year 1975.
 - In December 1977, the UN General Assembly adopted a resolution proclaiming a United Nations Day for Women's Rights and International Peace to be observed on any day of the year by Member States, in accordance with their historical and national traditions.

Adopted from <http://womenwatch.unwomen.org/international-womens-day-history>



ICAC

Salutes its Women in Leadership

In observance of International Women's Day, we salute the women in leadership at the ICAC, who have and continue to make an invaluable contribution to the ICAC and to the accountancy profession in the Caribbean.



Jasmine Davis, CPA, CA
President and Director, ICAC
Chair, Education/Joint Seminar
Committee



Angela Lee Loy, FCCA, FCA
First female President, ICAC
(2007 – 2009)



Joan (Betty) Brathwaite, FCCA, FCA
Past President, ICAC
(2011 – 2013)



Andrea St. Rose, LLB, FCIS, CFE, CPA, CGA, CA
Director, ICAC Board &
Chair, ICAC Public Sector
Financial Management
Committee



Yasmine El-Ramly, CPA, CGMA
Affiliate representative, AICPA
on the ICAC Board



Darnell Osborne, CPA, CA
Alternate Director, ICAC Board



Nancy Foran, FCPA, FCMA, C. Dir.
Affiliate representative,
CPA Canada on the ICAC
Board



Shawn Mahler, CA
Alternate Director, ICAC Board &
Chair, ICAC Information &
Communication Technology
Committee



Misha Lobban Clarke, MA
Chief Executive Officer, ICAC &
Ex-officio Member, ICAC Board



Marlene McIntosh, FCA, FCCA, EMBA-MIS
Chair, ICAC Publicity Committee



Lisa Padmore, FCPA, FCGA,
Chair, ICAC Membership
Committee



Denise Chinpire O'Reilly, CA, FCCA
Alternate Director, ICAC Board

Women's initiatives: A strategic advantage

By Yasmine El-Ramly, CPA/CITP



The following article was initially published in the *Journal of Accountancy* and is being reprinted in the ICAC L-I-N-K-S with the permission of AICPA.



Yasmine El-Ramly

Women have made up roughly half of accounting program enrollment for a few decades. They're also well-represented at entry levels in accounting firms, but their numbers tend to decline as they move up the career ladder. The 2015 AICPA CPA Firm Gender survey found that women constituted only 24% of the partners at CPA firms. The partnership percentage was a step

back for women in public accounting. The percentage of female leaders in firms had risen from 1% (partners and principals) in 1989 to 24% (partners only) in 2015.

With staffing and succession planning at the top of firms' minds, it would seem obvious that hiring talented women—and cultivating promising female leaders—would be one clear answer to accounting firm staffing concerns. But the dip in the partnership percentage in 2015 shows that the profession is far from achieving gender parity.

Some might ask if it is simply a matter of time before gender parity is achieved. But time alone will not solve this problem. Women have been entering the accounting profession in roughly equal numbers to men for 25 years. Consequently, women have been in the pipelines long enough and in sufficient numbers to reach gender parity. The fact that women hold fewer than one-fifth of partnership positions shows that the profession is faced not with an attraction issue, but with a retention and advancement issue when it comes to gender diversity.

BUILDING THE BUSINESS CASE

Why should accounting firms consider initiating programs that encourage the advancement of women? The following reasons form a strong business case for pursuing such a strategy.

- A strong flow of talented women is needed to bolster the pipeline of potential replacements for the thousands of Baby Boomer partners who will be retiring over the next several years. A flourishing pool of women at, or ready to advance to, the partner level would provide

additional options for retiring partners looking to sell their ownership stakes. As it is, not enough women are on the partnership track and in position to buy shares and become partners. The accounting profession cannot afford to lose talented CPAs due to a lack of advancement opportunities.

- Marketplace demographics are shifting, with increasing numbers of women business owners and decision-makers leading companies and other organizations seeking the services of an accounting firm. Those firms whose leadership includes women will have the advantage in competing for the business of women entrepreneurs and business leaders.

- The next generation of CPA firm leaders is demanding that firms create a family-friendly environment conducive to a healthy work/life balance. A reason often given for the low percentage of women in the partner ranks is that many women who start a family can't put in the time necessary to advance to firm ownership. But men and women in the Millennial generation value flexibility over money and are not as interested in working the same hours as the Baby Boomers did. In addition, the increase in the number of single-parent families underscores the heightened need for flexible schedules and alternative work arrangements. Firms have to adapt to changing worker concerns and family structures.

Diversity-related initiatives are not about dividing women and men into separate groups. They are about leveling the playing field to ensure everyone has access to the same opportunities and preparation for those opportunities. The goal is to create an inclusive environment for men and women to lead the profession together for the best possible outcomes.

What does it take to enhance an organization's ability to retain talented women? Successful initiatives require leadership buy-in, a strong communication plan, and a welcoming culture (see "Case Study: Eide Bailey LLP," below). But making a robust business case is a critical first step because it provides the motivation that will drive other efforts and encourage management commitment.

RECOMMENDATIONS FOR SUCCESS

The AICPA Women's Initiatives Executive Committee (WIEC) has identified three main obstacles to female

career advancement: career/life integration; in-career advocacy and navigation; and access to female role models. Employers can take the following steps to overcome these obstacles:

Don't limit women's initiatives to flexible-work and part-time arrangements. These are great tools to retain women, but they can easily derail women from the leadership track. One answer is to ensure that those working on a flex-time or part-time schedule are eligible for leadership positions. Career/life integration where men and women can successfully integrate their personal and professional lives is critical in the face of growing demands of an evolving profession and raising a family. But, as the next steps show, other measures are needed to ensure greater effectiveness.

Provide advocates and make navigation more transparent. The scarcity of female leadership puts women at a disadvantage when it comes to networking and building strong relationships with firm leaders. People tend to gravitate toward individuals with whom they can identify or have common interests. Advocates can offer promising women valuable insights and help them gain visibility and take on assignments that enhance their skills and experience. At the same time, whether or not there are female leaders in an organization, a firm competency model or career ladder that specifies the roles and expectations at each level—and clarifies what's required for advancement—can offer a road map that allows all staff to understand how to advance within the firm and how their career path aligns with the organization's goals.

Promote cultural awareness and demonstrate leadership buy-in. Unintended biases driven by societal and cultural norms can lead to unintended consequences. It is important to identify what these are within each organization and address them. For example, organizations should hold sponsored networking events during work hours to enable all working parents to attend and take advantage of such valuable opportunities. Ensuring that high-potential women or high-potential minorities have equal opportunities and equal access to leaders within the organization is an important step. However, it still does not suffice. Organizational changes will not happen without gaining leadership buy-in and demonstrating why the initiative is a business imperative with a direct bottom-line impact for the organization. This business imperative should be reflected within the organization's strategic plan and goals, resulting in actionable items, measurement, and accountability.

RECOMMENDATIONS FOR WOMEN

Women themselves can be a powerful force in effecting changes in their organizations. The 2012 Women's Global Leadership Summit attracted a dynamic group of individuals with a common cause

from across North America to share their workplace stories, grow, and learn from each other. Here are some valuable pointers from that gathering:

- To succeed and reach their full potential, all professionals must challenge themselves, taking on new roles to create their own advancement. Assignments that stretch skills, speaking opportunities, and serving on boards of directors are all great ways to grow and gain visibility within the profession.

- Risks are worth taking only when they are carefully calculated or mitigated. The best way for a CPA to successfully challenge herself—and be in a position to take calculated risks—is to be the most prepared person in the room and know her business, industry, and subject matter like nobody else. There is no substitute for competence; she must have depth and breadth, bring new ideas to the table when possible, and think outside the box.

- It is important to seek out experiences that will expose her to leaders from many different organizations who can serve as resources when she has questions and issues. Mary Bennett, founder of MLBennett Consulting and WIEC chair, calls this building your personal board of directors. The woman professional should be strategic about selecting the individuals in her network and how she spends time engaging in networking activities. She should select activities where she can make a contribution and learn something.

- It is never too early to start networking and building a future book of business. Chances are that people she meets today will be in similar positions of influence as she progresses within the profession.

- Women need to seek inspiration from various and visible role models. Role models are unique in that they each have their story of perseverance and success. Women need to pick and choose based on their aspirations and needs: breaking the glass ceiling, making partner while on a flex-time schedule, becoming a women business owner, etc. Networking inside and outside the organization is key to finding role models and cultivating these relationships.

- Her aspirations should be made clear. Olivia Kirtley, deputy president of the board of the International Federation of Accountants and the first woman to serve as chair of the AICPA board of directors, struck a chord when she noted at the 2012 Women's Global Leadership Summit that it's rare to hear a woman say, "My career aspiration is to be the CEO." Women may not be as bold as men in stating their goals, and they may assume that advancement will come to them based on achievement. It may not happen as soon, if at all, unless she communicates her ambitions, demonstrates her value, and asks the influential people around her to become her supporters and advocates.

ADDING UP THE BENEFITS

Organizations instituting women's initiatives should remember that they carry an added advantage: They are not just about women. They build a stronger and more inclusive organization that can attract and retain emerging leaders from a diverse talent pool, people who speak the same language as a broader base of clients and members of the business community. Once the value of women's initiatives is considered, the business case writes itself and clarifies how a stronger women's initiatives program can give an organization a strategic advantage.

Case Study: Eide Bailly LLP

Background: Five years ago, leaders at Eide Bailly were concerned about the retention of women in the firm and with the promotion of women into partnership and leadership roles. After a year of research and preparation, the North Dakota-based regional accounting firm formed a committee made up of partners to determine strategy and structure for the First Focus initiative. One of the first significant activities was to create a series of meetings where women with about four to eight years at the firm could gather in groups of six to 10 and participate in facilitated conversations on the tools needed to successfully navigate roadblocks and other concerns that made it difficult for them to have a successful career in the firm. A significant outcome of these meetings was that the women who led these groups, all young managers, benefited in several ways that included becoming well-known for their leadership, using this facilitative skill set with clients/community/firm committees, and becoming role models/mentors to the meeting participants.

The firm also launched an awareness campaign designed to emphasize the importance of women promoting their achievements while also providing educational information such as how the differences between men and women play out in the workplace. Ongoing communications include articles and blurbs in the company newsletter on topics such as the difference in how men and women communicate and promote themselves. The initiatives are strongly supported by management, starting with the CEO.

About the First Focus initiative: Eide Bailly launched Focus Forums, which invite women senior associates and first-year managers to discuss various issues in a six-session sequence every six to eight weeks. Each forum is led by a facilitator. The firm selects female senior managers or managers with at least two years of experience at that level to serve as facilitators. Meeting attendance is strongly encouraged but not required. Facilitators ask open-ended questions on a designated topic designed to prompt the forum participants to process, think about, and provide solutions. The facilitators follow an outline prepared by the firm. The ground rules for the discussions emphasize that the sessions are "safe zones" in which participants can be open and honest. A broad summary of the outcomes and "ah ha" moments of each session is shared with the firm.

In addition to the Focus Forums, Eide Bailly this year created the role of office leader, who serves as the liaison between the First Focus Committee, which oversees the initiative, and each of the firm's offices. Also, the firm held its first Women's Leadership Boot Camp in July. A three-day program for women managers with at least two years of experience, the camp:

- Increased the understanding of the business of public accounting through the discussion of topics including leveraging, business development and organizational awareness, developing business acumen, considering your brand, etc.
- Provided a platform for participants to develop the skills needed to gain visibility and recognition in the firm.
- Encouraged demonstration of leadership ability.
- Provided access to top-level leadership.

Initiative results: The percentage of women among the firm's 185 partners has grown from 19% in 2009 to 26% in 2013. The firm credits the increase to the First Focus initiative along with the education campaign and a firmwide awareness of the importance of promoting women. The firm also touts other results of the First Focus initiative. For example, women who participate in the Focus Forum meetings have become more outspoken about what they are looking for in their careers. In addition, more women are involved in firmwide committees, and the firm has gone beyond awareness as it continues to have conversations about topics that went without discussion before.

EXECUTIVE SUMMARY

The percentage of women partners fell to 19%, according to the most recent AICPA supply and demand survey. This is down from 21% in 2011. Women represent 44% of all CPA firm employees.

The low representation of women in the partnership ranks indicates that public accounting faces a retention and advancement issue when it comes to gender diversity. Improvement will come as the result of action, not merely the passage of time.

Accounting firms should promote women's initiatives for several reasons. The demographics of the profession and of the businesses CPA firms serve are demanding change.

Firms should address the three main obstacles to female career advancement: career/life integration; in-career advocacy and navigation; and access to female role models.

Women should challenge themselves by taking smart risks, seeking out different experiences, finding role models, networking extensively, and setting high career goals.

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Creating adaptive and resilient organizations for long-term success

By: Gord Beal, CPA, CA, M.Ed. Vice-president, Research, Guidance and Support at CPA Canada



Gord Beal

Tightening trade borders, the end of high oil prices, slow economic growth, climate change, the Internet of Things, big data, cyber threats, an aging population and global geopolitical unrest. Welcome to the 21st century, where the only constant is change.

Being able to adapt in today's rapidly changing world is critical to an organization's success. Today's change makers – organizations who evolve and innovate in order to turn current challenges into opportunities – understand that the past is not a good predictor of the future.

Advantage, suggests to become more adaptive and resilient, organizations need to develop the ability to read and act on signals of change; experiment rapidly and frequently, manage complex and interconnected systems of multiple stakeholders; and motivate employees. This article is even more relevant today.

CPAs are in a unique position to adapt and support organizations in this rapidly changing world. The discipline, integrity, and critical thinking that define the profession are the very traits necessary to lead transformational change initiatives that will result in resilient, adaptive, innovative, and sustainable enterprises, a framework that will be explored in future CPA Canada resources.

The CPA of the future will need:

- Adaptability and a curious mind (e.g. innovation and continuous learning) / Increased focus on business resilience and sustainability
www.cpacanada.ca/climatechange
- Emphasis on professional skepticism, ethics and judgment
www.cpacanada.ca/ethicsandjudgment
- Processes for measuring and reporting on a more holistic and integrated view of performance
www.cpacanada.ca/DrivingProfit
- Knowledge of IT, cyber security and new technology trends
www.cpacanada.ca/blockchaintechnology
- Interpretation and analysis of larger volumes of information

Drivers of change

Last year, Chartered Professional Accountants of Canada (CPA Canada) published an article in the Institute of Chartered Accountants of the Caribbean's newsletter titled *Driving the Future of the Accounting Profession: Looking Through the Windshield, Not the Rear-View Mirror*. The article looked ahead to the year 2030 and identified key challenges and opportunities for the Canadian and global business community.

The article was the result of CPA Canada's outreach with leaders in the profession, business, government and academia across Canada to gain their perspective on how organizations can better prepare for the future. We wanted to understand the implications for their organizations in key areas driving change: economic, environmental, technological, societal, and geopolitical.

Having this information upfront is helping CPA Canada define the skills and competencies necessary for Chartered Professional Accountants (CPAs) to continue to be highly valued and successful.

What became apparent is the critical role CPAs can play in helping to create adaptive and resilient organizations.

Core skills and competencies

The past few decades have witnessed significant growth on the demands and expectations of finance leaders; particularly as they have become central to helping their organizations meet the challenges of a rapidly changing global economy.

What, then, might the CPA of the future look like? What skills and competencies does an effective professional accountant in management need?

An article in the July/August 2011 issue of the Harvard Business Review titled *Adaptability: The New Competitive*

Performance management: growth area for CPAs

Although it has always been an important element of any organization, performance management (PM) is an important growth area for CPAs as business pressures continue to increase. PM improves strategic decision-making, and helps CPAs stay competitive, and manage and mitigate risk. Organizations that prioritize PM, and create and fine-tune appropriate feedback mechanisms to monitor performance and respond effectively, are better equipped to achieve their goals and have more sustainable long-term financial success. CPA Canada's Certificate in Driving Organizational Profit and Performance (www.cpacanada.ca/DrivingProfit) is a good start for CPAs who want to develop a stronger knowledge base in performance management.

CPA Canada's interest in developing tools and resources for professional accountants in management is longstanding. We recognize that organizations that embrace change and prepare themselves for the future have the greatest chance of long-term success and sustainable value creation. And we are committed to providing our members with guidance and resources to help their organizations manage the risks and capitalize on the opportunities that change presents.



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ICAC Affiliate News



ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

ACCA wins overall best association award at the Association Excellence Awards

ACCA has won the overall best association award at the Association Excellence Awards at a ceremony held in London on 31 March. ACCA was recognised for providing opportunity and access to people of ability around the world and support for its members throughout their careers. ACCA was able to demonstrate, through its capacity building work and its ground-breaking Professional Insights Report, **Professional accountants - the future**, how it enhances the reputation of ACCA members and the accountancy profession globally.

ACCA-X wins its 6th award at The Association Excellence Awards

ACCA's innovative online learning platform has won its 6th accolade in a year at The Association Excellence Awards at a ceremony held in London in March. Awarded in the best training initiative category, ACCA-X is making a name for itself as the go-to digital learning programme for those seeking to enhance their financial literacy skills.

John Lelliott OBE appointed chair of ACCA Global Forum for Sustainability

ACCA has announced John Lelliott OBE as the next chair of its Global Forum for Sustainability. Lelliott is an experienced finance professional, most recently as the Chief Financial Officer for The Crown Estate, and a fellow of ACCA. He is a leading thinker and passionate advocate on accounting for sustainability and the use of natural capital. The ACCA Global Forum for Sustainability brings together leaders and stakeholders from around the world to articulate and communicate the relevance of sustainability issues for the business community and the accountancy profession. The Forum monitors international trends and developments in sustainability and helps to shape ACCA's policy development on this topic.

Government needs to see bigger picture on corporate governance, says ACCA

Government needs to show stronger support for voluntary measures which improve corporate governance rather than impose a legislative mandate, according to ACCA.

Responding to the draft Green Paper on Corporate Governance issued by the Department for Business, Energy and Industrial Strategy, ACCA's head of corporate governance Jo Iwasaki says: 'ACCA supports proposals to strengthen accountability and transparency and we welcome renewed government interest in this area. From our work on governance and corporate culture, we are convinced that the best approach to achieving these outcomes is through providing support for companies that create a workplace which integrates employees and stakeholders in a way that means everyone supports the delivery of business goals. Excessive focus on prescriptive legal measures on corporate governance not only risks introducing burdensome change

for its own sake, but can end up masking the very problems they try to resolve, as firms seek technical compliance rather than reform.'

New country head for ACCA Caribbean

Orin Gordon has been appointed as the new head of the Association of Chartered Certified Accountants (ACCA) Caribbean office. Orin replaces Brenda Lee Tang who left the organisation after 15 years, 8 of them at the helm.

A seasoned media professional, Orin brings a considerable wealth of knowledge and experience. He had most recently been editor-in-chief of the Trinidad and Tobago Guardian for a year-and-a-half, between 2015 and 2016. Prior to that he'd worked as presenter, reporter and analyst at BBC Business News, worked at BBC News, and had formerly been head of BBC Caribbean, the BBC's World Service's Caribbean unit. A Guyanese national, he had his start in Guyana in the late 1980s, becoming editor-in-chief at national radio, and head of news for national TV. Orin holds an MBA from the University of Oxford.

In his role as head of ACCA Caribbean Orin will be responsible for continuing to promote the ACCA Qualification as the premier global accounting standard, working with partners to carry on raising ACCA's presence and reputation in the region, driving ACCA growth and increasing value to all ACCA stakeholders.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



Association of International Certified Professional Accountants launched on January 1, 2017.

The American Institute of CPAs (AICPA) and The Chartered Institute of Management Accountants (CIMA) launched the Association of International Certified Professional Accountants on January 1, 2017. This new association represents 650,000 members and students in public and management accounting. The Association will significantly enhance advocacy, increase awareness of the profession among the next generation, and serve to strengthen and advance both public and management accounting all over the world.

AICPA and The Bahamas Institute of Chartered Accountants (BICA) partner on CPD offerings

In November 2016, the AICPA and BICA hosted a joint event as part of BICA's annual CPD week in Nassau. The event featured presentations from several AICPA staff members on a variety of topics and was successful, with record-breaking attendance. The AICPA looks forward to partnering with BICA for future events.

BICA also signed an agreement with the AICPA to offer AICPA CPE courses to its members. These online courses will allow BICA members a more convenient and easily accessible method to complete their CPD requirements.

Changes to the CPA Exam Coming April 1, 2017

The previously announced changes to the CPA Exam will go into effect this spring. To help better understand these changes, the AICPA and NASBA will host a free webcast and Q&A session on February 9. The webcast will focus on the next version of the CPA Exam, which launches April 1, 2017. Interested parties will be able to hear more about specific areas of interest requested by candidates, including CPA Exam content and blueprints, item types, testlet structure, scoring, scheduling and other test administration topics.

AICPA Foundation Awards \$451,000 in Scholarships to 94 Outstanding Minority Accounting Students

The AICPA is pleased to announce that 94 accounting students from across the United States and its territories have been awarded the AICPA Scholarship for Minority Accounting Students for the 2016-17 academic year. These exceptional students were selected for the award, part of the AICPA's Legacy Scholars program, through an extensive process which considered both their academic performance and their leadership capability.

CHARTERED PROFESSIONAL ACCOUNTANTS OF CANADA



CPA Canada's Joy Thomas Appointed to National Steering Committee on Financial Literacy

Chartered Professional Accountants of Canada (CPA Canada) will continue to play an active role in the implementation of the National Strategy for Financial Literacy - Count Me In, Canada.

Joy Thomas, president and CEO, CPA Canada, is one of the individuals officially appointed to the National Steering Committee on Financial Literacy. These new members will build on the work of the first committee, whose two-year mandate recently expired. CPA Canada welcomes the opportunity to maintain its representation and support the committee.

The steering committee will be leading initiatives and actions that help bring about incremental, but positive change, relating to the financial literacy of Canadians. The goals include empowering Canadians to manage money and debt wisely, plan and save for the future and to prevent and protect against fraud and financial abuse.

"CPA Canada and the profession are actively engaged in helping Canadians gain the knowledge required to allow them to make informed financial decisions," explains Thomas. "More than 11,000 of our members are trained and ready to deliver volunteer financial literacy sessions to people of all ages and needs across the country. We also produce practical publications and have financial literacy information on our website," she said.

Thomas adds that Canadians working together can make a difference. "If individuals and families are to truly become more financially literate, then gaining knowledge is essential. Our profession embraces the opportunity to advance the goals of the national financial literacy strategy."

Recently launched in the Caribbean, CPA Canada's program is internationally recognized winning several prestigious Excellence in Financial Literacy Education (EFLLE) Awards. For more information about the program, visit: cpacanada.ca/financialliteracy.

Read the full media release at https://www.cpacanada.ca/en/connecting-and-news/news/media-centre/2017/february/joy-thomas-appointment?utm_source=provincial_update

Financial Literacy

Join CPA Canada's expert bloggers as they share our top tips and personal stories about money to help you get on the right track to making smart financial decisions. Here are the latest posts on CPA Canada's Financial Literacy Blog:

- The big scammers can ruin your life and your business
- It's always scam season
- Money lies we tell our kids
- Crowdfunding 102: Participating in social media

New international ethics standard will have implications for all professional accountants

The International Ethics Standards Board for Accountants (IESBA) has passed a new standard that sets out a first-of-its-kind framework to guide professional accountants on what actions to take in the public interest when they become aware of a potential illegal act. The IESBA standard is effective July 15, 2017, and early adoption is permitted.

The standard for non-compliance with laws and regulations (NOCLAR) applies when accountants are providing a professional service to their clients or are carrying out their duties for their employer. It includes a clear pathway to disclosure of NOCLAR to appropriate public authorities in certain circumstances, such as when the matter can't be resolved through other means.

IESBA is one of the standard-setting boards of the International Federation of Accountants (IFAC). As a member of IFAC, the Canadian CPA profession must ensure its ethical standards meet or exceed the international standards set by IESBA unless there is a legal, regulatory or public interest reason to not do so. The Public Trust Committee (PTC) of Canada's CPA profession is currently considering the NOCLAR changes in the IESBA code in relation to the CPA profession's existing ethical standards and within the context of Canadian laws, regulations and the public interest.

Visit the CPA Canada website for more information.

Are auditing standards meeting the needs of auditors of SMEs?

With audit quality high on the agenda for the Canadian profession, standard-setters are now paying close attention to improvements required to the existing one-size-fits-all standards approach for SME audits.

While global standard-setters work to strengthen standards in response to concerns about audit quality, commonly raised questions are: Will standards remain fit for purpose for audits of small and medium-sized entities (SMEs)? Many auditors find auditing standards are difficult to apply to the audits of SMEs. Is relief in sight?

A fundamental premise of auditing standards is that "an audit is an audit" — one set of auditing standards can apply to audits of all sizes of entities. But more are beginning to question whether this still holds true in today's environment. In fact, there was passionate debate about this very topic at a national standard-setters meeting in June 2016.

Globally, too, The International Auditing and Assurance Standards Board (IAASB) is increasing its focus on the scalability of its standards. At its global working conference in January 2017 for small and medium-sized practitioners (SMPs), a number of topics specific to scalability were explored, including:

- Understanding why some countries have designed different attest and non-attest standards to respond to the needs of SMEs
- What the IAASB can do to better address the needs of SMEs
- Understanding the challenges facing SMPs in the audit of SMEs in different jurisdictions
- How tools and resources used in different countries assist with implementation of the International Standards on Auditing (ISA)
- How the IAASB might develop a process to better address scalability in its standard-setting
- How to better engage SMPs in standard-setting at national, regional and global levels

In Canada, scalability is also a key element of the Auditing and Assurance Standards Board (AASB)'s current strategic plan. The AASB is placing an "increased emphasis on identifying and responding to scalability issues arising from new and revised standards. This will include a plan to identify such scalability issues and consider how standard-setters in other jurisdictions are identifying and addressing these issues."

The AASB is closely monitoring the IAASB's work as part of its own activities to support audits of SMEs in Canada. In fact, AASB staff recently held two extremely well-attended roundtables with SMPs that explored many of the same topics being discussed at the IAASB conference. The roundtables were used to inform Canadian attendees at the IAASB conference about where SMPs here stand on the issues. These views are also a great initial step in informing the AASB on scalability challenges of standards. The AASB may be able to leverage from outcomes of the IAASB conference when considering key AASB actions to take during its strategic planning period.

Learn more and add your insights to https://www.cpacanada.ca/en/connecting-and-news/blogs/audit-quality-blog/2017/february/auditing-standards-for-smes?utm_source=provincial_update&utm_campaign=audit_quality

www.pwc.com/jm

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ICAC Member Body Updates



Bahamas Institute of Chartered Accountants



IFAC's Chief Executives Strategic Forum and Communication Directors Forum

BICA President Darnell Osborne attended IFAC's 15th annual Chief Executives' Strategy Forum (February 27-28, 2017). Participants engaged in stimulating discussions around, "Building trust in the context of a Changing Digital and Economic environment." Presenters included Professor Joseph Stiglitz-Nobel Laureate, American economist, former Chief Economist of the World Bank, current Columbia University professor, former Chairman of the United States President's Council of Economic Advisers, and one of Time Magazine's 100 Most Influential People; Ben Boyd-President, Practices and Sectors, and Chief Executive Officer (CEO) of Edelman Canada and Latin America; Mark Raheja-Co-Founder of innovation and organizational consultancy, August; Fayez Choudhury-IFAC CEO; and Richard Howitt-CEO of the International Integrated Reporting Council. Over 65 participants from IFAC member countries around the world attended the Forum.

BICA's Executive Officer, Marva Winter, attended IFAC's first Communications Directors' Forum (February 28-March 1, 2017), under the theme, "The Art and the Science of Communications", which was hosted by Edelman, IFAC's public relations firm. In attendance were 19 representatives from 18 IFAC member organizations.

Testimonial Ball for Basil L. Sands, the Founding President of BICA

The Bahamas Council of Deliberation of the Prince Hall Affiliation of Freemasons held a Testimonial Ball on January 14, 2017 to honour Basil L Sands, CMG, CA, on his appointment as the 19th Sovereign Grand Commander of the United Supreme Council which comprises Prince Hall Freemasons in The Bahamas, the United States of America, Barbados, Canada, Europe and the Far East. Mr. Sands is the first non-American, and second foreign-born individual to be elected to the position. BICA President Darnell Osborne and President-elect Gowon Bowe attended the historic event and congratulated Mr. Sands.

Business License Review Procedures Workshop

BICA held a workshop on Business License Review Procedures at the British Colonial Hilton Hotel in Nassau

on December 14, 2016. Mr. James Gomez of Baker Tilly Gomez, presented on the Business License Act, 2010 and subsequent amendments.

Professional Ethics and Enterprise Risk Management Workshops

BICA, in partnership with Chartered Professional Accountants of Canada (CPA Canada) and PricewaterhouseCoopers (PwC), held a Professional Ethics and Enterprise Risk Management Workshop on March 15, 2017, at the British Colonial Hilton, Nassau, Bahamas. Karen Wensley of CPA Canada presented on the topic, "Professional Ethics: New Challenges and How to Meet Them" and Bruce Scott of PwC presented on the topic, "ERM: Better Risk Management, Better Business Performance".

Preparing the Practitioner, Client and Regulator for Audit Season

BICA hosted a seminar on, "Preparing the Practitioner, Client and Regulator for Audit Season", on February 21, 2017, at the British Colonial Hilton and on March 31, 2017 at the Pelican Bay Resort, Grand Bahama. The session covered the International Auditing and Assurance Standards Board's (IAASB) New and Revised Auditor Reporting Standards, inclusive of the change in the Auditor's Report.



BICA President, Darnell Osborne (right); BICA Founding President, Basil L. Sands (centre), and BICA President-elect, Gowon Bowe (left).

Institute of Chartered Accountants of Barbados



Policy/Advocacy

AML/CFT Mutual Evaluation

On December 13, 2016, ICAB met a five-member team of external assessors from the Caribbean Financial Action Task Force (CFATF) as part of the AML/CFT Mutual Evaluation of Barbados. The team was headed by Jefferson Clarke, Law Enforcement Advisor with the CFATF.

ICAB was represented by President Lisa Padmore, Vice President Andrew Brathwaite, Executive Director Reginald

Farley; and Nicholas Hughes, ICAB's representative on the NFBP Committee of the FIU.

ICAB had previously, through the Barbados FIU, provided information for the assessors about ICAB, the legal and regulatory framework for accounting and auditing in Barbados; auditing standards, disciplinary procedures, and AML guidelines in force for accountants. The questions posed at the meeting were intended to clarify matters relating to the role of ICAB in regulating auditors, ICAB's relationship with the FIU, availability of AML training for

accountants, practice monitoring and the independence of auditors in Barbados.

Social Partnership

The Executive Director represented ICAB at meetings of the sub-committee of the Social Partnership held in the last quarter of 2016. The matters discussed included Layoffs at the Bank of Nova Scotia, update on the economy and implementation of Government's budgetary measures 2016, procedures for a national shutdown in an emergency, update of the South Coast Sewage Issues and the way forward for Industrial Relations.

Public Education

ICAB expanded its contribution to improving financial literacy in Barbados when it launched its public education radio series, "Talking Finance with ICAB" in November 2016. It is aired on Wednesday's at 1:00 p.m. on VOB 92.9FM. Designed as a weekly five-minute programme, the first series of programmes focused on personal money management among other topics.

Accounting and Auditing Standards Guidance to Members

The Accounting & Auditing Standards Committee prepared and issued several guidance documents on matters relating to audits of financial statements for year-ending on or after December 2016.

Governance Surveys 2016

During December 2016, members of Council, Chairs of Committees and Members of Committees were required to complete individual annual governance surveys, which were designed and administered by the Ethics Governance & Risk Committee, to measure the extent to which Council and Committees are following best practice in corporate governance at ICAB. A report on the results, along with recommendations for improvement, will be published in the ICAB Annual Report for 2016.

Presentation of Certificates

On December 8, 2016, a ceremony was held to welcome new members and to recognize the advancement of several experienced members. The President presented certificates as follows:

- Regular Member (CA) – 31 new members who were admitted as regular members of ICAB during the period June to December 2016.
- Fellow of the Institute (FCA) - 19 members in good standing and in continuous membership for at least 10 years were awarded this designation.

The event was followed by the annual Christmas cocktail reception.

Institute of Chartered Accountants of Belize



Institutional Strengthening

Work on ICA-Belize's Strategic Plan progressed and a draft will be made available in the second quarter of 2017. ICA-Belize expects to implement the plan during 2017 after approval is obtained from the general membership. The ICA-Belize Council is eager to roll out the strategic plan, as it will help the accounting profession in Belize to align with the rest of the region over the next few years. Some of the key initiatives to be undertaken include updating of Belize's accountancy laws and regulations, obtaining IFAC membership, IPSAS implementation in Belize, establishment of a full-time secretariat, and strengthening of the profession and its image in Belize. The initiative to undertake a strategic plan was made possible with the support of the ICAC President and CEO.

Practice Monitoring

The second round of the Practice Monitoring visits in Belize by the ACCA commenced in January 2017, with the gathering of member statistics for the ACCA to plan the upcoming visits. The first round of the ACCA Practice Monitoring visits was finalized during the latter period of 2016 with one monitoring visit being cancelled due to Hurricane

Mathew that hit the Caribbean late last year. The reports are scheduled to be delivered as soon as the Practice Monitoring Committee is established and mandated to deal with the evaluation of the results.

The ICA-Belize is very pleased that this initiative is underway as it will move the Institute and the country toward compliance with international quality control standards for audit and accounting.

CPD Seminar

The ICA-Belize, in association with Nagin Lad Accountancy College Ltd, hosted a CPD seminar on January 16 and 17, 2017. The two-day event was well attended by members and staff of private enterprises and 15 CPDs were awarded. Several key IFRS and ISA topics including updates were presented by Mr. Nagin Lad. ICA-Belize is very pleased with the results of the CPD seminars and is in further discussions with Mr. Lad for a second round later this year. The objective of ICA-Belize is to ensure that all members are provided with affordable CPD opportunities to fulfill the 40 CPD hours per year requirement.



Attendees at the ICA-Belize CPD Seminar held on January 16-17, 2017, participate in a group session on IFRS and ISA.



Seminar presenter, Nagin Lad (left) and ICA-Belize President, Reynaldo Magana (right) during the ICA-Belize CPD Seminar held on January 16-17, 2017.



Institute of Chartered Accountants of the Eastern Caribbean

The Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) officially opened its Secretariat in Saint Lucia on December 15, 2016, which was celebrated with a gathering of distinguished industry professionals and individuals, who have made a significant contribution to the profession in St Lucia and the wider community.

The proceedings were conducted by the various members of the Council, and the keynote address was delivered by Mr. Calixte Leon – Executive Director of the Financial Services Regulatory Authority, who welcomed the launch of the Secretariat as it augurs well for the Authority's important partnership with accountants.

The Director General of the OECS Commission - Dr. Didacus Jules looked forward to the Institute adhering to the highest ethical and professional standards and undertaking a vigorous and broad public sensitization campaign.

Awards for their lifetime contribution to the profession were presented to Mr. Anthony Atkinson of Grant Thornton, and Mr. Claude Griffith. A special recognition award was presented to Dr Michael Pilgrim for his continued support for professional development.

On January 30-31, 2017, CPA Canada held an information

session at the Bay Gardens Beach Resort and the Bay Gardens Hotel, aimed at accounting professionals and prospective students respectively. Members of the ICAEC attended.

Policy/Advocacy

The Saint Lucia branch has solicited input from members with respect to the 2017/2018 National Budget presentation for submission to the Ministry of Finance.

Membership

	Practicing	Ordinary	Total
Antigua	26	45	71
Dominica	11	8	19
Grenada	10	33	43
St. Kitts	9	17	26
St. Lucea	24	33	57

Operational Matters

Council is continuing the process of regularizing its membership application and record keeping processes to facilitate smoother collation and distribution of information. The Council remains committed to the strengthening of the profession and is looking forward to the improved administration and controls, as adopted under the Rules and By Laws of the ICAEC.

Institute of Chartered Accountants of Jamaica



52nd Anniversary Services of Thanksgiving

Services of Thanksgiving to mark the 52nd Anniversary of the Institute of Chartered Accountants of Jamaica (ICAJ) were held as follows:

- Kingston - January 15, 2017 at the Hope Gospel Assembly. Brunch followed at the ICAJ Secretariat. Approximately 60 persons attended, including members, students, staff, family members and well wishers.
- Montego Bay - January 29, 2017 at the Calvary Baptist Church. Brunch followed at the Montego Bay Yacht Club. There were some 60 attendees.

Continuing Professional Development

Professional Accountants in Business (PAIB) Committee Roundtable

The Professional Accountants in Business Committee hosted a Roundtable under the theme, "Equipping Today's Accountants for Tomorrow's Complex Business Problems" on January 11, 2017 at the Jamaica Pegasus Hotel. Mrs. Jacqueline Sharp, President and CEO, Scotia Group Jamaica Ltd. was the Guest Presenter.

IFRS Workshop

The annual IFRS Workshop was held at the Jamaica Conference Centre on February 3-4, 2017. The two-day workshops provided pertinent information on Revenue from contracts with customers; The New Leases Standard; IFRS for SMEs-Amended Standard effective January 2017 and Potential Changes to Government Accounting.

Taxation Forum

A Taxation Forum was held at the Knutsford Court Hotel on January 19, 2017. The Forum provided pertinent information

on Income Tax Redesigned SO4 Forms, Understanding GCT and the mandatory E-filing of GCT Returns and for medium taxpayers.

Outreach Programme

The ICAJ Outreach Sub-Committee organised a benefit performance of the play, 'Country Wedding,' which was successfully staged on February 25, 2017 at the Phoenix Theatre in New Kingston. Proceeds will go to the ICAJ Outreach programme at the Elsie Bemand and the Sunbeam Children's Homes.

Career Expositions

ICAJ participated in Career Expos at educational institutions and made presentations as follows:

- Holy Childhood High – February 17, 2017.
- St Andrew High School – February 23, 2017.
- UWI's Career Exposition and Job Fair, themed "Talent Branding: Packaging your Skills for the Global Market" - February 23 and 24, 2017.
- University of the West Indies accounting students - March 15, 2017.
- University of Technology accounting seminar - March 22, 2017.

Prospective Members' Reception

A reception for prospective members was held at the ICAJ Secretariat on March 30, 2017. The event provided ACCA, UWI MSc. Accounting graduates and CPAs with information on the structure and role of the ICAJ as well as the benefits of becoming a Chartered Accountant.



ICATT Proposes New Rules and Regulations

The Council of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) is moving to revise the 46-year old Rules and Regulations for the accountancy body. The Rules and Regulations of ICATT impact all members. Persons eligible for membership have attained recognized professional designations, and have obtained the relevant required experience.

On February 15, 2017, the 1,300 members of ICATT had the opportunity to vote to accept the new rules and regulations. ICATT's President Pria Narinesingh, who has served three terms as council president, sees an urgent need for change. "There are weaknesses in the existing rules when one considers the evolution of the profession. These proposed revised rules will strengthen the profession by ensuring that it is aligned to global best practice and the requirements of the International Federation of Accountants (IFAC), of which the local body is a member.

Most importantly, it is a response to public calls over the years for greater transparency and accountability in the profession locally. The new rules will improve ICATT's ability to regulate and discipline members in an environment that is becoming increasingly litigious. But the rules and regulations can only go so far. Next steps will be to update the supporting legislation. Overall, the change is a big win for the public and its right to high quality professional services."

Among the major changes is the definition of just who is an accountant in public practice. In the past, the definition was narrow and focused on those conducting audits, when in fact there are many other services provided by members where reliance by third parties is likely to be placed on reports issued. The updated definition of public practice is now internationally aligned and the regulatory net of the Institute has been appropriately widened.

The processes and procedures for the licensing of members to practice have been simultaneously strengthened. A Licensing Committee will be formed to grant, amend and renew Practising and Auditing Certificates and the process will be more rigorous. The committee will oversee the Institute's Practice Monitoring Programme, which was previously limited to those members who conducted audits. ICATT is moving to extend this oversight and evaluation process to all members who will now have practicing certificates, with a view to providing feedback and educating our members to continually raise the level of Public Practice in Trinidad and Tobago.

Disciplinary proceedings have also been revamped. There have been several high-profile cases over the years which have challenged ICATT's ability to discipline effectively under the terms of the existing rules. ICATT, will establish a 30-member panel which will include non-accountants and attorneys at law, among other professionals from which tribunals will be established to adjudicate investigatory and disciplinary matters. This approach is an innovative solution for a small country and is seen to allow for greater flexibility and reduce the potential for conflicts of interest.

Professional Indemnity Insurance will be required to protect both the public and the firm, and for the first-time, sole practitioners must have continuity plans for their practice, in the event of critical circumstances such as death or incapacity.

ICATT's Council feels that despite some eleven unsuccessful attempts to revise the rules over the years, the current proposal has a great chance of succeeding. Careful consideration has been given to transitional provisions, and the proposed Commencement Date is January 1, 2018. This gives members and the institute sufficient time to prepare for the implementation. Council has been keen to point out that existing members' rights, especially in relation to the holders of practicing certificates under the old rules, will be maintained.

Members engaged in public practice under the new definition and now requiring practicing certificates, will be grandfathered in with reference in particular to their overall professional experience. More importantly, all proceedings and processes have been strengthened to ensure equity and transparency. According to the ICATT President, "There is nothing in the new rules that disadvantages professionals but there is everything that a true professional must live by, in the interest of the public we all serve."

CPD Programmes

The Institute hosted its Annual International Seminar on Taxation and Transfer Pricing in collaboration with the IBFD. Trinidad and Tobago's authorities have signaled an intent to regulate matters relating to transfer pricing.

In a continuing collaboration with the Co-operative Development Division of the Ministry of Labour, ICATT hosted a seminar on Audit Readiness for Credit Unions. The seminar was facilitated by Anthony Pierre, ICATT Council member and Consultant, who has worked extensively in the Credit Union Sector.

ICATT Council Appoints New President, Stacy-Ann Golding

Stacy-Ann Golding has been appointed as the new President of ICATT. Ms. Golding is an Audit Partner with lead accountancy firm, KPMG in Trinidad and Tobago and a Fellow of the Association of Certified Chartered Accountants (FCCA). She was elected President at the first Council meeting following the ICATT Annual General Meeting (AGM) held at the Radisson Hotel, Port of Spain on March 16, 2017.

Ms. Golding has served on the ICATT Council since March 2014. Prior to her current appointment, she was First Vice President (2016-2017) and Second Vice President for the 2015 -2016 term. She has also held the position of Chair of the Auditing and Accounting Standards (A&AS) Committee for the past three terms.

In her over twenty-five years' professional experience in audits of both public and private sector clients, Ms. Golding has worked throughout the Caribbean region. She has served as lead audit partner of several regional clients and as an engagement quality review partner for many clients of KPMG. She is also the partner responsible for Corporate Social Responsibility and Risk Management.

Ms. Golding congratulated outgoing President, Pria Narinesingh, on a successful three-year period at the helm of ICATT which culminated in the revision of the Institute's 46-year-old Rules & Regulations. Addressing members immediately after her presidency was announced she said, "I am especially looking forward to working with the Council, the Secretariat and the membership to continue

the growth of the profession and working to implement the new rules which come into effect on January 1, 2018."

At the first Council meeting which followed the AGM, five newly-elected members joined the now 13-member council. Denise Chinpire-O'Reilly, a Chartered Accountant and Managing Director of KS Chinpire Contracting Services was elected First Vice President for 2017-2018 and Dwayne Rodriguez-Seijas, an Assurance Partner at PricewaterhouseCoopers, was elected Second Vice President. Also, re-elected to Council was Derek Mohammed, Lead Audit Partner at Deloitte, and a former ICATT President.

Elected to the Council for the first time were Dianne A. Mano, a Certified Chartered Accountant, Certified

Anti-Money Laundering Specialist, Attorney-at Law and Principal of D. Mano & Co., and Dinesh Bhola, a Fellow of the Association of Certified Chartered Accountants and the Institute of Internal Auditors. He is also the Principal of D.S. Bhola & Co. and the Managing Director of DSB Financial Solutions Ltd.

Other members who were not up for re-election and who have been retained as members of Council are: Anthony Pierre, Financial Consultant; Ryan Nunes - Managing Director of Nunes Financial Ltd.; Krishna Boodhai - Managing Director of Hanover Construction Company; Leslie Nelson - CEO of Trinidad Building and Loan Association; Nicole Joseph - Director of Tax Services at KPMG and Kerri Maharaj - Group Chief Financial Officer at Guardian Holdings Ltd.



ICATT Council 2017-2018 at the Annual General Meeting. (Seated L-R) Denise Chinpire -O'Reilly - First Vice President, Stacy-Ann Golding - President, Dwayne Rodriguez-Seijas - Second Vice President and Pria Narinesingh - Immediate Past President. (Standing L-R) Dinesh Bhola, Krishna Boodhai, Dianne A. Mano, Derek Mohammed, Nicole Joseph, Ryan Nunes and Anthony Pierre. Missing: Leslie Nelson and Kerri Maharaj.

Global Accountancy Update



IFAC Global Survey Reflects Growing Accountancy Talent and Technology Challenges

Accountants working in small- and medium-sized practices (SMPs) around the world are facing heightened staffing challenges, according to the latest IFAC Global SMP Survey results. While attracting new clients, keeping up with new regulations/standards, and the pressure to lower fees remained key challenges faced by SMPs, attracting new/retaining existing staff made the top four challenges for the first time since the survey was conducted in 2011.

Additionally, the anticipated impact of technology developments over the next five years increased substantially in 2016 over 2015. Staying current with new hardware and software, as well as moving to the cloud, topped the list of technology challenges.

Despite these issues, SMPs' future performance expectations increased slightly from a year ago in three of the four service areas, except for tax. Growth is expected to be driven by advisory/consulting services, along with accounting, compilation, and other non-assurance/related services, with 45% and 44% respectively, predicting fee revenue increases in these areas in 2017.

Additional key findings from the survey include:

- SMPs recognize the value of offering business advisory and consultancy services.

A significant majority of respondents provide some form of advisory services, with corporate advisory (48%), management accounting (46%), and human resource/employment regulations (30%) being the most common.

- SMEs continued to be challenged by economic uncertainty and rising costs.

Consistent with 2015, the top challenges facing SME clients were economic uncertainty and rising costs (with 61% and 59%, respectively, rating these as a high or very high challenge).

- SMP performance in 2016 improved slightly over 2015.

In 2016, 30% or more of SMPs reported moderate or substantial increases in fee revenue across service areas, compared to 27 % or more in 2015.

See the full results, including breakdowns by region and size of practice, and subscribe to receive SMP updates, on the IFAC website: www.ifac.org/SMP.

Global Organizations Convene to Strengthen Public Financial Management

Delegates from the World Bank, International Monetary Fund (IMF), International Public Sector Accounting Standards Board (IPSASB), and International Federation of Accountants (IFAC), convened on March 6, 2017 in Washington, DC, for an international seminar, **Transparency and Beyond: Harnessing the Power of Accrual in Managing Public Finances**.

IPSASB Chair Ian Carruthers remarked, "Coinciding with the 20th year of IPSASB's standard-setting program, the seminar brings together global organizations committed to strong public financial management (PFM). IPSAS—high-quality global accrual-based accounting standards—enable governments to produce high-quality financial information that leads to better decision making and builds accountability and trust with citizens. The event is a crucial first step in deciding IPSASB's strategic direction for the next five years, the projects it will undertake, and how it will work with other global organizations to strengthen PFM globally."

Delegates began by taking stock of the current PFM landscape, with a look at the new Organisation for Economic Co-operation and Development (OECD)-IFAC report featuring OECD countries' recent status and PFM reforms. Delegates emphasized the need to increase the availability and use of high-quality accrual information for transparency and decision making by public sector organisations themselves, as well as key stakeholders including parliamentarians, journalists, civil society, and capital market participants. The World Bank delegates highlighted the importance of implementing the standards, and the real challenges countries face in accounting and reporting, specifically; and broader public sector reforms required to actually achieve better decision making. Importantly, delegates concluded with commitments to continue to work toward influencing governments to pursue the needed reforms, building on recent successes and growing evidence that supports the use of accrual reporting based on IPSAS.

IFAC Chief Executive Officer Faye Choudhury said, "Government spending accounts for a significant portion of a country's GDP, and many governments are incurring deficits that will have to be settled by future generations. We must address both the supply of, and demand for better public sector financial information. Public sector leaders must embrace accrual-based IPSAS as the basis of transparent, accountable financial reporting, which is an essential component of strong PFM. And citizens must be encouraged to demand stronger PFM and hold their government officials to account."

Mr. Christopher Towe, Deputy Director of the IMF Fiscal Affairs Department, said, "Comprehensive and high-quality fiscal reports, including financial statements that summarize the government's financial position and performance, are necessary for governments, legislators, citizens, and markets to have a complete, up-to-date, and accurate understanding of a country's fiscal position. Establishing a full balance sheet requires capacity to adopt accrual accounting standards, including valuation of assets and liabilities. This one-day seminar provided a valuable platform to bring together all key stakeholders, including standard setters, producers, and users of government financial statements. It facilitated a debate on various perspectives, opportunities, and challenges in adoption of accrual accounting by governments and provided a platform to discuss the way forward."

Accountants Offer Crucial Help In Reducing Global Corruption

A new study, *The Accountancy Profession—Playing a Positive Role in Tackling Corruption*, from IFAC, shows professional accountants are playing a major, positive role in reducing corruption, along with other key actors in the global economy that support strong governance structures.

Among the key findings, the study reveals that a higher percentage of accountants in the workforce strongly correlate to better outcomes in Transparency International's global Corruption Perceptions Index. Examining the profession's impact in nations with stronger governance structures, the correlation was significantly greater in G-20 countries and member nations of the Financial Action Task Force. And when professional accountancy organizations are present in an economy, having adopted the global profession's ethical, educational, and investigation and discipline requirements, the positive correlation with Transparency International's index rises even further.

Conducted by the Centre for Economics and Business Research, the study builds on two earlier reports: Nexus 1: The Accountancy Profession, Behind the Numbers and Nexus 2: The Accountancy Profession, A Global Value Add, which examine both the size of the global profession and its economic contribution to the global economy.

IESBA Takes Decisive Step Forward on Restructured International Code of Ethics; Issues Final Set of Proposals

The International Ethics Standards Board for Accountants® (IESBA®, the Ethics Board) announced the completion of the major first phase of its strategic project to restructure its Code of Ethics for Professional Accountants™ (the Code). In addition, it also released new proposals that will enhance and complete the fully restructured Code with strengthened ethics requirements for accountants.

The outcome of the first phase is a new structure and drafting convention, as well as a major restructured portion of the Code. The IESBA's overall restructuring efforts are intended to result in a Code that is more understandable and easier to use, thereby facilitating its adoption and effective implementation globally. At the same time, the IESBA has agreed revisions to a number of provisions pertaining to safeguards in the Code, including enhancements to the conceptual framework of "threats and safeguards."

The IESBA now enters the final stage of this project. Comprised of three Exposure Drafts (EDs), this final stage sets out new proposals that:

- Restructure select sections of the Code, including recently finalized provisions addressing accountants' response to non-compliance with laws and regulations (NOCLAR), long association of audit firm personnel with an audit or assurance client, and ethical issues that professional accountants in business (PAIBs) often face (Structure ED-2);
- Revise the safeguards-related provisions in the independence sections of the Code pertaining to non-assurance services provided to audit and other assurance clients (Safeguards ED-2); and
- Clarify the applicability of PAIB provisions to professional accountants in public practice (Applicability ED).

The IESBA is targeting December 2017 for completion of this work to restructure and strengthen the Code. The restructured Code, which will be renamed International

Code of Ethics for Professional Accountants (including International Independence Standards), will contain significant new requirements and revised provisions that the IESBA has already finalized, including:

- A greater emphasis on compliance with the fundamental principles in the Code;
- Clarified and strengthened provisions regarding application of the conceptual framework, including safeguards;
- A strengthened partner rotation regime for audits of public interest entities;
- Provisions addressing accountants' responsibilities regarding NOCLAR;
- More comprehensive provisions addressing PAIBs' responsibilities when preparing or presenting information; and
- New requirements and guidance for PAIBs regarding pressure to breach the fundamental principles.

The IESBA has also made available on its website the restructured and revised portions of the Code it has agreed to so far. These, together with a staff-prepared compilation of the proposed restructured Code, Basis for Conclusions documents, mapping tables, and other resources, are intended to support stakeholders' timely adoption and implementation efforts, and consideration of the EDs.

How to Comment

The Ethics Board invites all stakeholders to comment on the EDs. To access the EDs and submit a comment, visit the Ethics Board's website at www.ethicsboard.org/restructured-code. Comments on Structure ED-2 are requested by May 25, 2017.

IPSAS 40, Public Sector Combinations, Improves Reporting of Government Restructurings

The International Public Sector Accounting Standards Board® (IPSASB®) issued a new accounting standard—IPSAS 40, Public Sector Combinations. IPSAS 40 provides the first international accounting requirements that specifically address the needs of the public sector when accounting for combinations of entities and operations.

Public sector combinations—for example, reorganizations of government departments or restructurings of municipalities—occur frequently. In the public sector, these transactions raise different accounting issues from those encountered in the private sector.

IPSAS 40 recognizes two types of public sector combinations: amalgamations and acquisitions. By contrast, International Financial Reporting Standards used by private sector entities, treat all combinations as acquisitions, which require obtaining fair value information. Amalgamations, which are much more common in the public sector, do not require this information. The accounting requirements for amalgamations in IPSAS 40 are based on existing information, which enables public sector entities to avoid unnecessary valuation costs, while still meeting users' needs.

IPSAS 40 applies from January 1, 2019, with earlier adoption encouraged. To help governments understand the new requirements, IPSASB staff has developed an At-a-Glance summary and an introductory webinar.



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