

Brunei Darussalam

Cambodia

Indonesia

Lao PDR

Malaysia

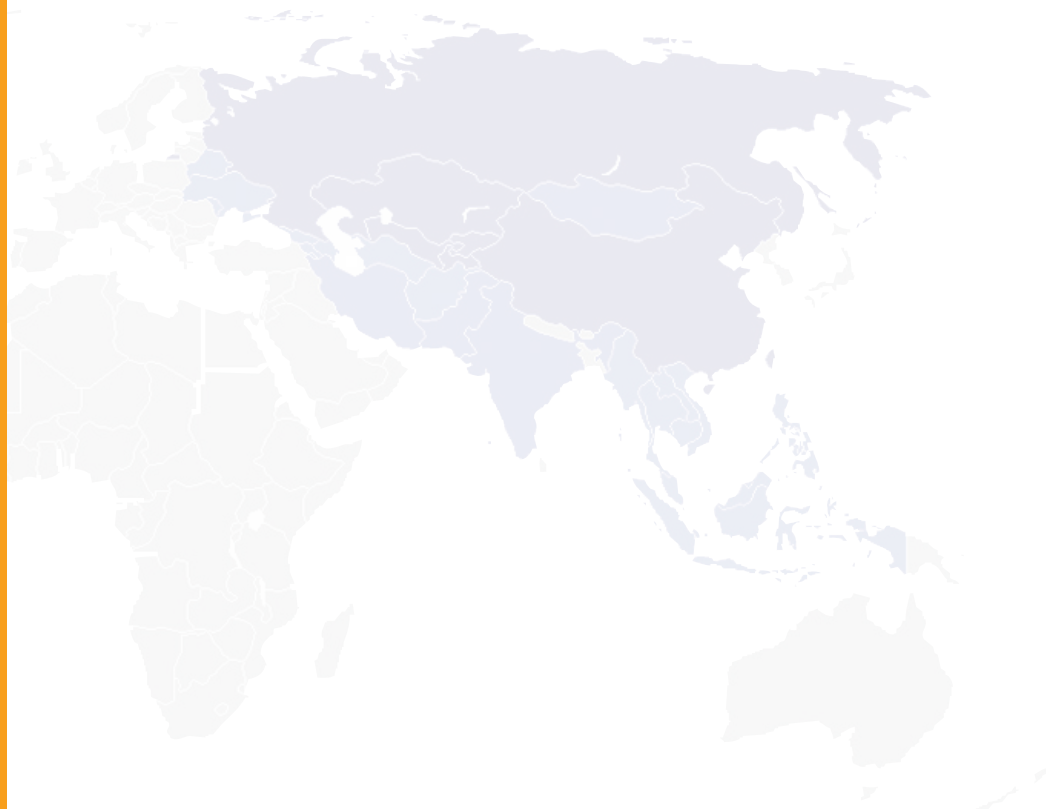
Myanmar

Philippines

Singapore

Thailand

Vietnam



# ASEAN Federation of Accountants

Accredited Civil Society Organisation of ASEAN  
[www.aseanaccountants.org](http://www.aseanaccountants.org)

### PRIMARY MEMBERS:



### ASSOCIATE MEMBERS:



ASEAN Federation of Accountants

# ANNUAL REPORT

ASEAN  
FEDERATION  
OF ACCOUNTANTS

# 2013

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I look back with tremendous sense of pride and excitement at my journey of the past two years serving as the President of AFA. Over that period, there are many progress that AFA has achieved in establishing the accountancy profession in the ASEAN region, mainly to support the ASEAN Economic Community 2015.

The pace of the progress in achieving the objective of AFA has been challenging but no less encouraging for our organisation. I believe that ensuring AFA to enter a higher level of relevance and esteem both regionally and globally would be our goal together.

Every steps of engagement with among others, the ASEAN, IFAC and the World Bank, indicates that AFA has played its role better as an accountancy profession organisation in the ASEAN region. I am pleased to brief you that those achievements is a result of a good collaboration between the Council and all of the AFA members.

At the end of my period, I would like to express my sincerest appreciation to the ten AFA primary members and the four AFA associate members and also other parties who have assisted me during my tenure. 2012 - 2013 has been a meaningful period for AFA and me personally.

In this opportunity, I would like to congratulate the newly elected President of AFA, Ms. Estelita C. Aguirre. I wish and trust that she will take AFA to the next level and to be a better representative of the accountancy profession both in the ASEAN region and international stage.

Thank You.

Kuy Lim  
President  
2012 - 2013



The Annual Report of any organisation is fundamentally a story of both challenges and achievements. This is certainly true of the ASEAN Federation of Accountants' Annual Report for CY 2013, which chronicles the events of a particularly busy year for the Federation and its member-bodies.

Looking back on the highlights of 2013, it is noteworthy to remember that the ASEAN Economic Roadmap, which was created in support of the 2015 ASEAN Integration, provided the impetus for the signing of the Mutual Recognition Arrangement (MRA) Framework on Accountancy Services in 2009. So it was that in 2013, after a series of debates and discussions, the accountancy regulators of the ASEAN countries came to terms with, and agreed on, the conditions and requirements for the implementation of the MRA on Accountancy Service, which now is awaiting signatures of the concerned country officials.

In view of this current development, the member-bodies of AFA cannot be simply bystanders. The call of the times is for the Federation's ten primary members, with the support and assistance of our four associate member-bodies, to actively promote efforts aimed at capacity building for the member-bodies, with the end in view of pushing for the professional development of their member accountants, keeping them attuned to, and compliant with, international standards on accounting, auditing, education and ethics.

To this end, the Federation, with the support of the World Bank, has initiated a capacity building project, with the objective of bridging the gaps among member-bodies. This endeavor gives us hope that in the near future, the ASEAN accountants, in general, will truly become globally competitive. By then, we can say that the mission of the AFA to develop and promote the accountancy profession in the region in support of the socio-economic enhancement of the AFA member countries, and its vision to be globally recognised as the body that represents the accountancy profession in the ASEAN Region, will have come to fruition.

Thank You.

Estelita C. Aguirre  
Deputy President  
2012 - 2013

President	:	Kuy Lim (Cambodia)
Deputy President	:	Estelita C. Aguirre (Philippines)
Treasurer	:	Khoo Ho Tong (Singapore)
Secretary General	:	Chetta Chung (Cambodia)
AFA Secretariat	:	Aucky Pratama (Indonesia)

Brunei Darussalam (BICPA)	:	Pengiran Haji Moxin Lee Kin Chee Lucy Wong Kie Nyuk Lim Hoon Hui
Cambodia (KICPAA)	:	H.E. Ngi Tayi Soth Vanthoch Arthur Law
Indonesia (IAI)	:	Sudirman Said Dr. Jusuf Halim Prof. Sidharta Utama Elly Zarni Husin
Lao PDR (LICPA)	:	Prof. Darath Bouppha Dr. Xayphone Kongmanila
Malaysia (MIA)	:	Datuk Mohd Nasir Ahmad Abdul Rahim Abdul Hamid
Myanmar (MAC)	:	Thein Myint Win Thin Maw Than Khin San Oo Kyaw Tin Wan Tin
Philippines (PICPA)	:	Andres R. Cabuyadao Jose C. Cabalum Jr. Josefina G. Chua Estelita C. Aguirre
Singapore (ISCA)*	:	Dr. Ernest Kan Tan Boen Eng
Thailand (FAP)	:	Pichai Chunchavajira Supot Singhasaneh Vilai Chattanrassamee Saran Supaksaran
Vietnam (VAA)	:	Dr. Dang Van Thanh

\* formerly ICPAS

**ABOUT**

**ASEAN**

**FEDERATION**

**OF ACCOUNTANTS**

**AFA ANNUAL REPORT 2013**

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The ASEAN Federation of Accountants (AFA) was organised in March, 1977. It was established to serve as the umbrella organisation for the national associations of the Association of South East Asian Nations (ASEAN). AFA originally had only five member-bodies. These were the national accountancy bodies of Indonesia, Malaysia, Philippines, Singapore and Thailand. Currently, AFA membership is comprised of all ten ASEAN member countries.

AFA is composed of two types of membership. The Primary Members of AFA are the national organisations of accounting professional representing countries within the territorial jurisdiction of ASEAN and must be the recognised national accounting body of that country created under a specific statute or regulation of that particular country, or in the absence of it, the recognised national organisation of accounting professional in the said country. The Associate Members are the internationally recognised bodies of accounting professionals of any ASEAN countries or other countries which are friendly to and supportive of the aspirations of ASEAN, even though they may be outside the territorial jurisdiction of ASEAN.

### AFA Objectives

AFA was created with the following objectives:

- To provide an organisation for ASEAN Accountants for the further advancement of the status of the profession in the region with the view to establishing an ASEAN philosophy for the accounting profession.
- To establish a medium for closer relations, regional cooperation, and assistance among ASEAN accountants.
- To enhance the continued development of the accounting profession in the region through the joint endeavours of accountants representing the ASEAN.
- To identify and highlight vital problems affecting the accounting profession in the ASEAN region and to formulate proposals towards the solution of these problems.
- To provide ASEAN accountants with a venue for the exchange of the significant information on the accounting profession in the ASEAN member countries.
- To represent the ASEAN accountants in their collective dealings with international accounting and other organisations.
- To work in cooperation with ASEAN business regional groupings whose economic development efforts may be complemented by ASEAN accountants.



#### Vision

To be globally recognised as the body that represents the accountancy profession in the ASEAN region.

#### Mission

To develop and promote the accountancy profession in the region in support of the socio-economic enhancement of the AFA member countries.

**REPORT**

**OF THE COUNCIL**

**AFA ANNUAL REPORT 2013**

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## AFA COUNCIL MEETINGS IN 2013

Throughout 2013 AFA Council met for four times. The meetings were held as follows:

### 110<sup>th</sup> AFA Council Meeting

Office of The Federation of Accounting Professions of Thailand, Bangkok (6 April 2013)



The 110<sup>th</sup> AFA Council meeting in Bangkok was a monumental event for both AFA and IFAC, as IFAC, led by the Chairman of IFAC Compliance Advisory Panel, Mr. James Dickson, presented some information on the IFAC CAP and latest updates on the revised IFAC SMOs. AFA and IFAC also co-hosted a workshop in conjunction with the meeting, on AFA Committee on the Implementation of the ASEAN MRA on Accountancy Services' issues and programs and IFAC SMOs.

As part of increasing its accountability and promoting transparency, the Council also agreed to include the AFA Audited Financial Statements as part of the published AFA Annual Report, beginning from AFA Annual Report for the year 2012.

The newly formed AFA Committee with the leadership of Ms. Estelita C. Aguirre (AFA Deputy President) continued its endeavour in supporting the ASEAN Secretariat in providing information on the member bodies' country requirements in becoming professional accountants. The workshop, which was attended by Mr. Christopher Fabling as a representative of the World Bank focused on identifying and discussing common similarities and differences between member bodies, with regard to entry requirements, membership categories, relevant professional experiences, and CPD compliance. The participation of the World Bank was also an acknowledgment of AFA's important role in the capacity building of AFA members and the development of the accountancy profession in the ASEAN region. AFA members reiterated the commitment to drive forward the movement towards mutual recognition in the ASEAN region.

The IFAC workshop discussed the latest revision of the IFAC SMOs and the effects to AFA members. Divided into discussion groups, the participants, together with IFAC representatives discussed topics on adoption and implementation, investigation and discipline, and quality assurance, in relation to the IFAC SMOs.

Back-to-back with the meeting and workshop, AFA represented by the President, Deputy President and representative of the Secretariat attended the IFAC CAP meeting. AFA shared information on the organisational background, latest development and strategies in moving forward, in particular in the development of the profession in the region and capacity building in preparing for the ASEAN Economic Community 2015.

### 111<sup>th</sup> AFA Council Meeting

Marina Bay Sands Hotel, Singapore (1 July 2013)

The 111<sup>th</sup> Meeting was a historical one for the Institute of Certified Public Accountants of Singapore (ICPAS), as it was the last time ICPAS bear its name in before evolving into the Institute of Singapore Certified Accountants (ISCA). The occasion was celebrated together with ICPAS Golden Jubilee celebration and the Singapore Accountancy Convention 2013. A number of distinguished guests attended the events, among others, the Deputy Prime Minister and Minister of Finance of Singapore, Mr. Tharman Shanmugaratnam, the President of the Republic of Singapore, Dr. Tony Tan Keng Yam and ISCA Advisor, Minister of State for Trade and Industry of Singapore, Mr. Teo Ser Luck.



The discussion in the AFA Council Meeting focused on the latest development of the ASEAN MRA on Accountancy Services. AFA participated in the discussion at the ASEAN CCS forum by submitting the required comparative matrices of the country requirements of the ten ASEAN member countries. AFA has also contributed its AFA Easy Guide to Setting Up Accountancy Practices in ASEAN Countries to the discussion.

Taking the ASEAN MRA into consideration, the meeting discussed the importance of setting up a clear plan and timeline to successfully achieve the objective of AFA in further analysing the requirement gaps between its members. The members acknowledged the issue of assistance required in assessing the member bodies' requirements, and possibilities for organisation like the World Bank to work together with AFA in exploring this issue. In essence, the Council members agreed that more need to be done in order to move towards the objective of establishing an acceptable regional MRA between members, and that capacity building needs to be the first priority in moving towards that direction.

### 112<sup>th</sup> AFA Council Meeting

Rizqun Hotel, Bandar Seri Begawan (7 September 2013)



The 112<sup>th</sup> AFA Council Meeting was the first for the new PICPA President, Ms. Violeta Josef. For a number of Council members it was also their first time enjoying the serenity that is Bandar Seri Begawan.

The latest development on the draft of the ASEAN Implementation MRA on Accountancy Services was an important issue discussed during the meeting, as reported by Mr. Tan Boen Eng as the Chair of the ASEAN PRA Meeting (on Accountancy Services). AFA acknowledged the success of the ASEAN PRA forum in finally finishing the draft, pending legal scrubbing and approval. This together with potential cooperation with the World Bank encouraged AFA members to move forward in realising the dream of establishing a multilateral recognition in the ASEAN region.

As an important step in realising the idea of a regional MRA, an idea to have an AFA Multilateral Memorandum of Understanding (MoU) was raised during the meeting. The purpose of this MOU is to serve as a mechanism for AFA members to commit to the capacity building process, and as a show of intent of each member bodies to their respective stakeholders, for example, the related regulators. This idea was certainly welcomed by the Council members and will be further considered as the capacity building process progressed.

In conjunction with the AFA Council Meeting, a workshop on the ASEAN MRA on Accountancy Services was also scheduled. Chaired by the Deputy President, the workshop discussed the relevance of the AFA Multilateral MOU on the discussion of the capacity building process and also the ASEAN MRA on Accountancy Services in general. The Council agreed that in order to move forward a greater cooperation among members are essential, in particular for the more developed members to assist the developing members in developing their accountancy profession.

The future certainly looks bright for AFA and its members, despite the many challenges that all believe can be dealt with good cooperation among the members and with relevant stakeholders.

### 113<sup>th</sup> AFA Council Meeting

InterContinental Hotel, Phnom Penh (4 November 2013)



The 113<sup>th</sup> AFA Council Meeting was held back-to-back with the 18<sup>th</sup> AFA Conference (co-hosted with KICPAA). It was also in conjunction with KICPAA's 10<sup>th</sup> anniversary, an important milestone for a developing organisation like KICPAA who continued to play an important role in the development of AFA and the accountancy profession in the ASEAN region. For Mr. Kuy Lim of KICPAA it was the last time he chaired an AFA Council meeting, and ended his involvement in AFA which began more than ten years ago.

As an organisation that is continuously developing AFA never stopped to explore possibilities to better maintain its financial position. Understanding the importance of having a healthy and stable financial reserve, and taking into consideration the many projects that AFA will undertake in the years ahead, the Council discussed the AFA investment policy and how it can be better established to better serve AFA purposes.

One important proposition discussed in this meeting was to re-establish the AFA Committee, previously known as the AFA Committee on the Implementation of the ASEAN MRA on Accountancy Services, as the AFA Committee on Member Bodies Capacity Building. The Council believed that AFA must broaden the scope of the committee to focus on the capacity of its ten member bodies and AFA as the umbrella organisation.

The relation between AFA and the World Bank took another step to the positive with the continuous participation of Mr. Christopher Fabling as the representative of the World Bank in the AFA Council meeting. AFA is looking forward to the different possibilities of cooperation with the World Bank, focusing on the capacity building of AFA's ten member bodies.

Not only looking internally, AFA also acknowledged the importance of further expanding its external relation with significant stakeholders, in this example, IFAC. AFA as the representative of the ten accounting profession organisations of the ten ASEAN countries acknowledge the need to play a more significant role in the communication with IFAC as the global accounting body. A formal acknowledgement from IFAC would be a start for AFA in realising this cooperation.

Back-to-back with the 113<sup>th</sup> AFA Council Meeting, a workshop co-hosted by AFA and the World Bank was also held in Phnom Penh. The World Bank reported its initial analysis of the accounting profession in the ASEAN region, based on the survey it has conducted with the ten AFA member bodies. The initial assessment shows that there is much to be done in capacity building to close the development gap between the ten countries, and that AFA could potentially play a key role in coordinating and assisting the process, together with the World Bank. The cooperation between AFA and the World Bank will continue in 2014.

AFA looked forward to continue its role in the development of the profession in 2014, under the leadership of Ms. Estelita C. Aguirre of the PICPA (Philippines).

**AFA COMMITTEE**

**ON THE IMPLEMENTATION  
OF THE ASEAN MRA  
ON ACCOUNTANCY  
SERVICE**

**AFA ANNUAL REPORT 2013**

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## COMMITTEE OBJECTIVES

The Committee was created primarily to assist, support and encourage member bodies to enhance capabilities to be in the same level and be ready to enter into multilateral or bilateral MRAs.

The main objective of the committee is capability building to lessen the gaps between member bodies with the end in view of fast tracking the development of accountancy in the ASEAN region and MRA signing.

### COMMITTEE WORKING PLAN

- 1 Determine accuracy of data
- 2 Confirm accuracy of data by submitting the CR signed by both the AFA member body and regulator
- 3 Identify capabilities
- 4 Analysis of fundamental similarities and significant differences
- 5 Conduct workshops to discuss significant differences
- 6 Identify capability building measures to minimise differences
- 7 Expression of readiness to enter into MRA

## COMMITTEE MEMBERS



CHAIRPERSON  
Estelita C. Aguirre (PICPA)



Prof. Sidharta Utama  
(IAI)



En. Abdul Rahim Abdul Hamid  
(MIA)



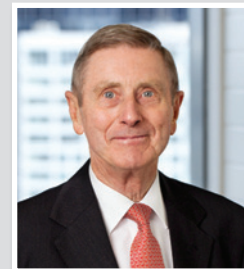
Mr. Yee Cheok Hong  
(ICPAS)



Mrs. Vilai Chattanrassamee  
(FAP)



Ms. Lucia Real-Martin  
(ACCA)



Mr. James Dickson  
(CPA Australia)



Mr. Jonathan Jones  
(ICAEW)

## MILESTONES

The ASEAN Federation of Accountants (AFA) as the umbrella organisation for accountancy bodies in the ASEAN region acknowledged the importance of moving together as a region, in particular, in developing the South East Asian accountancy profession. ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services as a form of collaboration of the ten ASEAN member bodies is something that AFA considered as one of its significant point of objective for the near future.

Acknowledging the importance of participating in realising the MRA, the idea of establishing a dedicated AFA Committee to conduct further studies and support the ASEAN Secretariat in the establishment of the MRA was first mentioned during the 107<sup>th</sup> AFA Council Meeting in Phnom Penh, Cambodia (17 March 2012). Carried forward to the 108<sup>th</sup> AFA Council Meeting that was held on 23 June 2012 (Manila, Philippines), the urgency to swiftly work together between members in order to contribute to the MRA discussion was obvious.

Finally, in its 109<sup>th</sup> AFA Council Meeting (Sydney, Australia, 3 November 2012) the Council agreed to finalise the establishment of the AFA Committee on the Implementation of the ASEAN MRA on Accountancy Services. Chaired by the then AFA Deputy President, Ms. Estelita C. Aguirre of PICPA, the membership of the Committee was approved, and soon after, the Term of Reference and the Work Plan.

The Committee's first assignment was to contribute to the ASEAN Professional Regulatory Authorities of the MRA Framework on Accountancy's (Services Coordinating Committee) discussion on the Implementation MRA. This was done through assisting in the gathering and revision of relevant information from the ten ASEAN (government) and AFA (professional body) member bodies on the accountancy profession in their respective countries. AFA's contribution was acknowledged by the ASEAN Secretariat in their effort to finalise the ASEAN MRA on Accountancy Services.

Aside of focussing on the ASEAN MRA, the Committee also committed to support and encourage AFA members in enhancing their organisational and professional capabilities. The main purpose for this is to better prepare each member to be ready to enter into potential MRAs in the future, either bilateral or preferably multilateral. This effort was realised through various workshops that were held in conjunction with the AFA Council Meetings. A number of valuable information gathered from the workshops, among other, were the identification of and discussion on common similarities and significant differences, and agreed time line to move forward with the common objective of having an AFA multilateral MRA in the future. An idea for an AFA Multilateral Memorandum of Understanding was one of the culminations of this effort that was raised during the discussion.

Since its establishment the Committee has played an important role in taking the development of the ASEAN MRA on Accountancy Services to another level. Nonetheless, the initial assessment shows that a lot still needs to be done in the capacity building of AFA members, in particular in closing the gap between the ten member bodies. Also, it has been identified that AFA can play an important role in coordinating and assisting this process, together with the support of international bodies such as the World Bank.

As the Committee has successfully played its role in supporting the ASEAN Secretariat in establishing the ASEAN MRA on Accountancy Services, AFA understood that it is important for the Committee to evolve in order to better serve the current priority of the members' capacity building efforts. Taking into consideration the development of AFA priorities, in one of the AFA Workshop held in conjunction with the 113<sup>th</sup> AFA Council Meeting in Bandar Seri Begawan (7 September 2013) members raised the proposition to evolve the AFA Committee on the Implementation of the ASEAN MRA on Accountancy Services into the AFA Committee on Member Bodies Capacity Building.

In the future, through the establishment of the AFA Committee on Member Bodies Capacity Building, it is hoped that the priorities to build the capacities and capabilities of AFA's ten member bodies and also AFA as an organisation can be better planned, managed and achieved. An important step in doing this is through coordination and cooperation with bodies such as the World Bank, IFAC and other organisations that could assist AFA in achieving the newly established priorities.



The Brunei Darussalam Institute of  
Certified Public Accountants  
(BICPA)

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

The Brunei Darussalam Institute of  
Certified Public Accountants (BICPA)

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Unit 3, First Floor, Block A, Regent Square  
Simpang 150, Kiulap BE1518  
Bandar Seri Begawan  
Brunei Darussalam  
[www.bicpabrunei.com](http://www.bicpabrunei.com)

**Total members: 58**



## The Brunei Darussalam Institute of Certified Public Accountants (BICPA) Roundup of 2013



### The Establishment of PAOC

With the Accountant's Order (2010) becoming effective on 1<sup>st</sup> November 2012, a Public Accountants Oversight Committee (PAOC) has since been established. The PAOC had its first meeting and two of the committee members are members of BICPA.

### The IFRS Conversion Awareness Seminar

With the imminent implementation of the IFRS for organisations with public interest, BICPA continued to provide the relevant trainings on IFRS. In the first quarter of 2013 a two days seminar on IFRS1- First Adoption to IFRS was organised and successfully completed.

On 30<sup>th</sup> August 2013 The Brunei Darussalam Accounting Standards Council (BDASC) collaborated with BICPA and organised a half day sessions entitled 'IFRS conversion awareness' with focus on the banking, insurance and takaful industry. It is intended that this session would assist stakeholders to a smoother transition process.

### BICPA and ACCA Joint Forum

On 6 September 2013, BICPA and ACCA jointly organised a forum entitled Brunei Finance Leader Forum 2013 which saw the presence of more than 60 participants. The forum featured prominent speakers including the President of BICPA and Lucia Real Martin, Director, Emerging Markets, Asia, ACCA.





KICPAA

Kampuchea Institute of  
Certified Public Accountants and Auditors  
(KICPAA)

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Kampuchea Institute of Certified Public  
Accountants and Auditors (KICPAA)

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#92, Sangkat Wat Phnom  
Khan Daun Penh  
Phnom Penh, Cambodia  
(Ministry of Economy and Finance Compound)  
[www.kicpaa.org.kh](http://www.kicpaa.org.kh)

**Total members: 284**

## Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) Roundup 2013

KICPAA has successfully organised workshops, conference, and other activities as follows:

1. 10<sup>th</sup> Annual General Meeting (AGM) on 7 June 2013 on “Election of new governing council members of the 4<sup>th</sup> legislation 2013-2017 and report of KICPAA activities and achievements”. The meeting was presided over by H.E Ngy Tayi, Secretary of State of the Ministry of Economy and Finance. The new governing council of the Institute has also been elected and their names as below.
 

1. Mr. Khoy Kimleng	President
2. Ms. Heng Seida	Vice President
3. Mr. Chung Chetta	Treasurer
4. Ms. Ek Socheatta	Member
5. Ms. Guek Teav	Member
6. Mr. Lang Hy	Member
7. Ms. Lan Sinratana	Member
8. Mr. Samreth Muny	Member
9. Ms. Taing Youk Fong	Member
  
2. 18<sup>th</sup> AFA Conference in Cambodia on the topic of “ASEAN ACCOUNTANTS TOWARDS ASEAN ECONOMIC COMMUNITY 2015” on 5<sup>th</sup> October 2013, Venue: InterContinental Hotel. This Conference, presided over by Lok Chumteav, Nguon Sokha, Secretary of State of the Ministry of Economy and Finance and Mr. Kuy Lim, President of AFA. The Conference was jointly co-organised by the KICPAA, and AFA. Therefore this conference brings together experts in their relevant field to share knowledge and expertise. There were 224 participants including key Government officials, company directors and chief executive officers, chief financial officers and finance directors, auditors, and entrepreneurs.



3. Workshop on “ASEAN Transfer Pricing Rules” on 21 November 2013, Venue: Phnom Penh Hotel. This Workshop was jointly organised by KICPAA, ACCA, and Ernst & Young (Cambodia) Ltd. There were 230 participants.
4. Conducting training needs assessment to local universities on IFRS-based curriculum  
 From 1 April to 1 June 2013, the KICPAA has engaged a local consultant to conduct training needs assessment to local universities. The purpose of the assessment is to find out the needs among academic staff for capacity building programme on IFRS based curriculum which comprises of IFRS, ISA, IPSAS, Code of Ethics for Professional Accountants and effective teaching and learning methodologies in accounting. The Royal Government of Cambodia encourages the implementation of the IFRS-based curriculum among local universities.



5. Presentation of the draft of the National CPA Examination programme to KICPAA Council and Government Commissioner

On 22<sup>nd</sup> April 2013, KICPAA Secretariat headed by Soth Vanthoch, the CEO, presented the draft of the National CPA Examination programme to the Governing Council and the Government Commissioner to KICPAA. According to the Financial Sector Development Strategy 2011-2020 of the Royal Government of Cambodia, the National CPA Examination programme will be launched in 2014-2017.

6. CPD Activity

Due to resource limitation, KICPAA has only provided a CPD workshop on the interpretation of financial statements to its members on 30-31 May 2013.



Image source: [politicalblindspot.org](http://politicalblindspot.org)



IKATAN AKUNTAN INDONESIA  
(The Indonesian Institute of Accountants)

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

The Indonesian Institute of Accountants  
(*Ikatan Akuntan Indonesia - IAI*)

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Grha Akuntan  
Jl. Sindanglaya No. 1  
Menteng - Jakarta 10310  
Indonesia

[www.iaiglobal.or.id](http://www.iaiglobal.or.id)

**Total members: 17,649**



## The Indonesian Institute of Accountants (IAI) Roundup of 2013

### IAI-AFA International Seminar on IFRS Dynamics 2013 and Beyond: Impact to Indonesia

On 6 - 7 March 2013 IAI together with AFA and the International Accounting Standards Board (IASB) hosted an international seminar at the J.W. Marriot Hotel, Jakarta. The chosen title was IFRS Dynamics 2013 and Beyond: Impact to Indonesia, illustrating the latest progress of the IFRS convergence process in Indonesia. As reported by Rosita Uli Sinaga, the Chairperson of the Indonesian Financial Accounting Standards Board (DSAK IAI), as of 1 January 2012 Indonesia has successfully converged its standards into IFRS (as of 1 January 2009). The focus in 2013 is to continue on with the IFRS convergence process, to further minimise the differences between the local standards and IFRS.

More than 200 professional accountants from various backgrounds in Indonesia were in attendance. Among the attendees were the representative of BICPA, ICPAS, and KICPAA, signifying the importance of this issue to the development of the accounting standards in the ASEAN region.

The main speaker of this seminar was the Chairman of IASB, Hans Hoogervorst, who shared the latest development of IFRS, in particular the new Exposure Drafts currently discussed by IASB. Other speakers include representatives from the Big Four Global Offices, members of DSAK IAI, and prominent speakers representing various industries in Indonesia.

### IAI-ACCA CFO Summit

IAI together with ACCA jointly held a conference on The Evolving CFO and the Drivers of Change: What This Means for the Indonesian Profession. This conference was held on 26 February 2013, at the J.W. Marriott, Jakarta. It addressed the critical issues facing finance leaders and the accountancy profession in Indonesia and provided an unrivalled platform for peer engagement.

Some of the speakers who shared their insights and knowledge were the ACCA Head of Australia and New Zealand, John Winter, members of the IAI National Council, Maliki Heru Sentosa, Cris Kuntadi, Sidharta Utama, and Dwi Setiawan, CFO of PT PLN, Setio Anggoro Dewo, and the President Director of PT KAI, Ignatius Jonan.

This exclusive event was attended by more than 100 participants, most were CFO of prominent companies and entities in Indonesia. It featured a number of sharing opportunities and in-depth discussions between the speakers and the participants, on aspects such as transformation strategies, risk management, strategic innovation, and corporate governance.

### Blue Print of Indonesia Accountancy Profession

On May 15<sup>th</sup>, 2013 IAI has successfully held the discussion about the Blue Print and the draft of the Ministry of Finance Decree on State Registered Accountants (RPMK) at Alila Hotel, Jakarta. Two main things which were discussed in this event are important matters for the history of accountancy profession in Indonesia. This event was hosted by IAI and the Ministry of Finance and was attended by the Chairman of the IAI National Council (DPN IAI), Prof. Mardiasmo and the head of the Accountant and Appraiser Supervisory Center (PPAJP), Langgeng Subur.

The blue print and RPMK are created in purpose to prepare Indonesian accountants to be professional accountants and to welcome the ASEAN Economy Community 2015 and the world economy competition. In his speech Mr. Mardiasmo said that "Professional accountants should not be merely registered, but should be the real professional accountants, who always update their knowledge". To remind that this event is important for Indonesian accountant, both IAI and PPAJP invited more than 80 participants, among others were lecturers and providers of professional accountancy education program.



### Supporting The Community Organisation Law

Indonesia was preparing to welcome the General Election 2014. In this time, Government put their concern in political party funding transparency. By endorsing Law No.17 Year 2013 about Community Organisation, the Indonesian People's Representative Council (DPR RI) looking forward for Indonesian Community Organisation especially the political party as transparent and accountable. There is a special article that regulates fund and financial reporting which lead to the obligation for political party to produce financial reporting. The transparent financial report shall be reported to the public and government.

Law No.17 Year 2013 about Community Organisation stated that every community organisation shall prepare its financial report based on the accounting standard. As referred to that paragraph, IAI as a standard setter took the main part in providing guidance to prepare a proper financial report. By preparing high quality financial report DPR RI looking forward for real transparency that can be reflected on every Indonesian Community Organisation especially in term of fund and financing.



### MoU Signing Between IAI and the General Election Commission of Indonesia

General Election Commission of Indonesia (KPU) has required every political parties and legislative candidates to submit its campaign fund report in a timely manner. General Election Commission Regulation (PKPU) No. 17 Year 2013 is a technical guidance of General Election Law which arranges the Campaign Fund Reporting Guidelines 2014.

On September 2013 at the KPU Building, Jakarta, KPU and IAI signed the Memorandum of Understanding (MoU) on socialisation of the campaign fund reporting guidelines. The MoU signing between KPU and IAI was performed by Mr. Dwi Setiawan as a representative of DPN IAI and Mr. Husni Kamil Manik as the Chairman of KPU. Subsequently KPU and IAI continuously will hold technical socialisation sessions about campaign fund reporting guidelines to all General Election 2014 participants.



### National Accountancy Symposium XVI - Manado

On September 27<sup>th</sup>, 2013, the National Accountancy Symposium XVI was successfully held in Manado which famous for its Marine Park, Bunaken Island. Sam Ratulangi University, Manado as the host of this event was optimistic to add more value to the National Accountancy Symposium XVI. It's not only paper competition but also knowledge sharing and networking event, as it was an effort to align the competence of accountants educators from various parts of the archipelago.



There were more than 500 papers submitted this year and 199 papers were selected. Issues such as financial accounting and capital market were the topics chosen mostly by the participants. However topic about public sector also took significant portion this year, as it is related to the plan of holding the Public Sector Conference next December in Surabaya.

### The 56<sup>th</sup> Anniversary of IAI

On 11 December 2013 IAI celebrated its 56<sup>th</sup> anniversary at the Dyandra Convention Center, Surabaya, East Java. As a tradition, the celebration was emphasised by holding a series of free training and education sessions for active members of IAI. The chosen theme was Accounting is a Language of Nation. IAI realise if accounting today giving significant influence to the business sector. The role of accountants and accounting knowledge become the key to the success of Indonesian economic activities.

Some of the chosen topics delivered by the speakers were on Fair Value Measurements, Sharia Accounting: Murabahah, and introduction to the Chartered Accountants Indonesia. The prominent speakers were accounting experts in Indonesia, spanning from DSAK IAI members to representative of the valuation industry.



### Regional Public Sector Conference III

From Dyandra Convention Center, Surabaya, East Java IAI present the Regional Public Sector Conference III. This event was held on 11-12 December 2013 along with the celebration of the 56<sup>th</sup> anniversary of IAI. As a yearly agenda, the chosen theme for 2013 was "Public Sector Accounting for Public Accountability". This theme was in line with the challenges facing public sectors related to public accountability increasingly demanding transparency, accountability either financial, performance and compliance against the law and free of corruption.



Some of the speakers who shared their insights and knowledge on issues related to topic were expertise on Public Sector Accounting and Government Institutional, and also sharing from ACCA and Malaysia, and CPA Australia. There were 400 participants from all around Indonesia, including senior executives of the Auditory Board of Indonesia, local government, media and public.

### Accountant Award

Starting from 2013 IAI will hand out the Indonesian Accountant Award to those who are considered giving outstanding contribution to the development of accounting profession in Indonesia. IAI wish for this award to be a trigger for both industry and economic player to give their best performance, in term of accountability.

IAI established a special team to be the judges, who choose candidates and decide the winner of the accountant award. The specific criteria for the winner are professionalism and dedication to accountancy profession. Not only that, accountant award winners should be innovative and their performance as an accountant should bring positive result and inspired others.

The announcement of the recipients of the accountant award was attached with the celebration of the 56<sup>th</sup> Anniversary of IAI. Ignasius Jonan, the CEO of PT Kereta Api Indonesia and Emirsyah Satar, the CEO of PT Garuda Indonesia were awarded with the "Accountant of the Year 2013". Prof Zaki Baridwan and Drs. Soedarjono were awarded with special award for their dedication in the accountancy profession in Indonesia. Langgeng Subur and Rosita Uli Sinaga were also awarded a special award for their outstanding contribution for Indonesian accounting development.



### Other Activities and Event Throughout 2013

In addition to the activities mentioned above, during 2013 the IAI also conducted other activities, among others are:

- Grand Launching of the ACCA Office in Indonesia.
- Cooperation with the General Commission of Indonesia to Conduct Audit of 2014 Campaign Fund.
- Establishment the Indonesian Good Corporate Governance Road Map.
- Supporting the Accounting Standard for the Community Organisation Law.
- Joint LPS – IAI – IAPI – Seminar.
- IAI Affiliated Campus Program.
- Supporting the Accounting Guidelines for Social Security Board.



LAO INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
(LICPA)

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Lao Institute of Certified Public  
Accountants (LICPA)

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Ministry of Finance, Accounting Department  
Enterprise Accounting Division  
P.O. Box 46, Lane Xang Avenue  
Vientiane, Lao PDR

**Total members: 176**

## Lao Institute of Certified Public Accountants (LICPA) Roundup of 2013

Throughout 2013 LICPA has organised a number of activities, among others are:

1. Amendment of the accounting law to adopt several standards that will be applied by different entities such as:
  - IPSAS cash-basis to be applied by the Public Sector.
  - Full IFRS to be applied by Public Interest Entities (PIEs).
  - Lao FRS for non-PIEs (which are equivalent to IFRS for SMEs) to be applied by non-PIEs. Non-PIEs would be classified in two categories: Large sized entities that would have to apply LFRS; and Small and Medium-sized Enterprises that would have to applied a simplified version of these standards (LFRS for SMEs).
2. Amendment of the Audit Law to adopt the Lao Standards on Auditing and other Engagement Standards (Professional Standards) which would be consistent with the standards published by the IAASB and would define a new mechanism for managing CPA.
3. Establishment of the new amended law that would urge LICPA to gradually upgrade its CPA curriculum and set up a Continuing Professional Development, Quality Control as well as academic syllabus in accountancy to be internationally recognised.
4. Preparing LICPA annual meeting to be held in September 2013 to introduce new accounting and audit reform to its members, and present its action plan to strengthen its role and prepare itself to be an associate member of IFAC by implementing the Standards of Membership Obligations.



Illustration: [www.weston.ac.uk](http://www.weston.ac.uk)



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS  
ACCOUNTANTS: MANAGERS OF VALUE

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Malaysian Institute of Accountants (MIA)

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Dewan Akauntan No. 2  
Jalan Tun Sambanthan 3  
Brickfields, 50470  
Kuala Lumpur, Malaysia  
[www.mia.org.my](http://www.mia.org.my)

**Total members: 30,503**

## Malaysian Institute of Accountants (MIA) Roundup of 2013

### Election of New MIA President & Vice President

Johan Idris and Datuk Zaiton Mohd Hassan were elected as the new MIA President and Vice President respectively with both appointments taking effect on 22 July 2013.

Johan succeeded Datuk Mohd Nasir Ahmad who had retired as an MIA Council member on 15 July 2013, whilst Datuk Zaiton filled the Vice President's post. Johan is no newcomer to MIA. Johan Idris was elected as the Vice President of MIA on 29 March 2013. He was later appointed as Managing Partner in KPMG, effective from 1 January 2014.

Datuk Zaiton was appointed as an MIA Council member on 16 July 2013 and she is currently the President of the ACCA Malaysia Advisory Committee. Datuk Zaiton is the Managing Director of Capital Intelligence Advisors Sdn Bhd.

### MIA International Accountants Conference (MIAC) 2013



The Conference which attracted more 2500 delegates from 24 countries was officiated by YB. Dato' Seri Ahmad Husni Mohamad Hanadzlah, Minister of Finance II, Malaysia.

Themed, 'Managing Value, Accelerating Growth' the conference was especially tailored to support accountants and financial business leaders to create and manage value and deliver growth in their primary roles as executives, key decision-makers and business support partners.

During the two-day conference, 38 thought leaders explored issues related to key areas that affect the accountancy profession now and the future and provided concrete solutions to overcome the challenges faces by the industry in four (4) plenary sessions and 12 Concurrent Sessions.

Headlining the MIAC 2013 was Warren Allen, President of the International Federation of Accountants (IFAC) and an influential global business leader who spoke on the latest developments in business and the profession and how these will affect accountants in his keynote address during the first plenary session.

Indeed, it could be said that "learn, upskill or be left behind" is the key takeaway message for accountants and finance professionals at all levels.

### MIA Bags top RAWR Awards for Excellence in Business Conference

MIA had notched another first by winning the 'National Conference for Excellence' in the Business Events category at the inaugural rAWr (Recognising Award Winning Results) Awards 2013, through its flagship event, the MIA International Accountants Conference (MIA Conference) 2012.

The Awards presentation ceremony was held on 18 September 2013 at KL Convention Centre during the rAWr 2013 Gala Dinner.

The rAWr Awards was co-organised by the Malaysia Convention & Exhibition Bureau (MyCEB) and the Malaysian Association of Convention and Exhibition Organisers and Suppliers (MACEOS) to recognise excellence, leadership, professional standards, innovation and best practices within the Meeting, Incentive, Convention and Exhibition (MICE) or business events industry.

MIA President, Johan Idris was present to receive the Award from MyCEB's CEO, Zulkefli Haji Sharif and MACEOS President, Jonathan Kan.

"MIA feels honoured that our contribution in the industry through MIA Conference is being recognised. We will certainly continue this winning endeavour in the years to come by organising a value added conference which caters the need of the Accounting and business fraternity".

### National Annual Corporate Report Awards (NACRA) 2013



NACRA was jointly organised by Bursa Malaysia Berhad, Malaysia Institute of Accountants, and the Malaysia Institute of Certified Public Accountants (MICPA). The key objective of NACRA is to promote excellence in corporate reporting, greater transparency and accountability by the respective parties in their financial reporting and the awards are to acknowledge and recognise high quality corporate reporting.

Themed "Towards Excellence and Accountability", the competition was reflective of the need to create a corporate Malaysia that exceeds global benchmarks and cultivate greater confidence in our economy.

A telecommunications company and two financial institutions topped the 2013 NACRA Overall Excellence Awards at the 2013 National Annual Corporate Report Awards presentation ceremony with Telekom emerging as the Overall Excellence Platinum Award Winner. The event was held in Kuala Lumpur on 21 November 2013.

### Inaugural National Business Zakat Symposium 2013

Over 300 participants comprising business and corporate leaders; regulators, zakat agencies, academicians and students attended the inaugural Business Zakat Symposium 2013 which was held on 8 October 2013.

Jointly organised by Malaysian Institute of Accountants and Universiti Tenaga Nasional (UNITEN), in collaboration with Lembaga Zakat Selangor (LZS), Pusat Pungutan Zakat Wilayah Persekutuan (PPZWP), Persatuan Akauntan Percukaian Malaysia (MATA) and Universiti Sultan Zainal Abidin (UniSZA), the symposium was officiated by Dato' Seri Ahmad Husni Mohamad Hanadzlah, Minister of Finance II Malaysia.

The one day Symposium was organised to convey accounting knowledge on business zakat to the accounting practitioners and preparers.

Among key issues which were discussed during the Symposium include the zakat concept, zakatable items for business, requirements and application of MASB TR i-1 and the future direction of zakat accounting.



### MIA and CIMA Launch The National Award for Management Accounting (NAfMA)

On 4 September 2013, MIA and the Chartered Institute of Management Accountants (CIMA) launched the new and elevated National Award for Management Accounting (NAfMA) which recognises the excellence of professionals such as CEOs, CFOs, entrepreneurs, business managers, lecturers as well as CIMA students for their outstanding contribution towards management accounting in Malaysia.

### MIA and ACCA Provide Perspectives on Understanding Audit Quality

The Value of Quality Audit Forum, jointly organised by the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants (ACCA) on 5 July 2013, brought together investors, businesses, auditors and regulatory bodies to facilitate open and constructive dialogue about audit quality issues in the broadest sense.

“A quality audit will result in an audit opinion that should carry weight of impact and is reliable, hence instilling confidence in the market. While there can be differing views on the definition of audit quality, it is clear that shareholders, company directors, audit committee members and regulators unanimously agree that quality external audit is fundamental to business and capital market confidence,” remarked MIA Johan Idris during the forum.

### Audit Committee Conference 2013

MIA President Datuk Mohd Nasir Ahmad had called out to all members in audit committees to re-look and reassess their respective roles as to how best their function can add value to their respective organisations.

He indicated this point in his welcoming remark at the inaugural Audit Committee Conference which was jointly organised by MIA with the Institute of Internal Auditors Malaysia (IIAM) in Kuala Lumpur.

Themed “Powering for Effectiveness” the target audience of the conference were mainly audit committee members. The objective of the event was to scrutinise the conditions and processes affecting the effectiveness of audit committees. It attracted over 140 participants comprising mainly of senior audit committee members, company directors, governance professionals, business leaders, internal and external auditors and other audit and finance professionals.

### MIA Qualifying Examination (QE) 2013 Graduates Score Record Number Distinctions In All Subjects



The 5<sup>th</sup> MIA QE graduation ceremony which was held in Kuala Lumpur on 16 December 2013 witnessed the highest number of distinction scorers in the history of the MIA QE examinations.

During the graduation ceremony, 71 candidates received their certificates of distinction or achievement as compared to 17 recipients in the previous year. At the same time 36 graduates completed the 2013 March and September sittings of the examination. And for the first time in the examination's history, MIA also presented QE high achievement awards to four (4) candidates who scored the highest marks in their respective QE papers, namely Business & Company Law; Advanced Financial Accounting & Reporting; Auditing and Assurance Services; and Taxation.

The impressive achievement was due to the revised assessment system which was introduced earlier this year. Under the revised system, QE takes into account results from both workshop evaluations (40%) and the final examinations (60%).

QE which was introduced in September 2003 as an alternative route for accounting, business and finance graduates to qualify as accountants in Malaysia, has to date managed to produce 243 graduates who are currently making their strides in businesses across all industries in this country.

### Teraju Scholars Receive Life Experience Pointers From MIA

MIA hosted 17 students from the TERAJU (Unit Peneraju Agenda Bumiputera) for a career advisory and motivational talk on 8 November 2013.

The TERAJU graduates comprised working adults who have graduated in Accountancy / Finance Degree programme from various Universities. These graduates are currently undergoing an eight (8) week 'bridging' programme at SUNWAY-TES. Upon completion, they are expected to be assigned or deployed to their respective training providers (primarily from the Big 5 Firms) to garner relevant working experience while continuing to pursue their professional accountancy qualifications. Some of the scholars hold degrees from non-accounting fields of which one of them had a chemical engineering qualification.

The Teraju scholars were accompanied by Sunway University Executive Director, Teo Ee Sing and Sunway TES Director, Sandra Ong.

The 90 minutes session started off with an introduction about the Institute by MIA Head of Corporate and International Affairs, Rozlisham Abdul Wahab. The highlight of the engagement session was the motivational talk and experience sharing session by MIA's Vice President, Datuk Zaiton Hasan.

### MIA Joins Forces in Organising State Level Accounting Quiz For Secondary Schools

In a move to create awareness and to promote accountancy as a career to secondary school students, the MIA and Sunway TES jointly launched a state level accounting quiz competition. The inaugural MIA-Sunway TES Accounting Quiz 2013 (AQ2013) kicked off on 22 June 2013.

The last round of the competition took place on 7 September 2013 at the Sunway College. The final round saw 10 teams selected as finalists from 51 secondary schools in Selangor, the Federal Territory of Kuala Lumpur and Putrajaya pitting out their knowledge on the profession.

### MIA Bowling Tournament 2013

MIA had successfully held its 1st Bowling Tournament on March 9, 2013. The tournament was held at the Cosmic Bowl, Mid Valley Megamall, KL and commenced at 10 am after the opening speech by the then MIA Vice President, En. Abdul Rahim Abdul Hamid, who was a participant himself.

Overall, 38 teams consisting of 3 team members competed in the tournament, bringing the total number of participants to 114. The format of the tournament was simple, 2 games were played to determine the team winner, best female and male highest scorer.

### The Committee to Strengthen the Accountancy Profession (CSAP)

Led by the Securities Commission (SC), the multi-agency committee working on the project had recently agreed on the initiatives to pursue and the relevant timelines. The committee will next gather input from the many stakeholders in the public and private sectors.

The Committee to Strengthen the Accountancy Profession (CSAP) is chaired by the SC Executive Director, Nik Mohamed Hasyudeen Yusoff, who is also executive chairman of the Audit Oversight Board and a former president of the Malaysian Institute of Accountants (MIA).

The other members represent the Finance Ministry, Bank Negara, the Companies Commission of Malaysia, the Accountant General's Department and MIA.

One of the committee's primary tasks was to assess the country's demand for accountants, particularly in light of the various developmental plans that had been launched in the past couple of years, such as the Capital Market Masterplan 2, the Financial Sector Blueprint 2011-2020 and the SME Masterplan (2012-2020).

In addition, the projects under the Economic Transformation Programme (ETP) are expected to boost the need for accounting services. There's a need to look at the demand for accountants as we head towards 2020, and the competencies required to sustain the development

The committee was set up in response to the World Bank's assessment of the accounting and auditing environment in Malaysia. After the World Bank issued the report in February 2012, the SC proposed to the Finance Ministry that a committee be formed to follow up on the findings.

Among other things, the report said there should be an independent review of the MIA's governance structure so as to find ways to improve its structure and operations. The report also recommended a review of the local university accounting degree programs.

### Malaysian Accounting Standards Board (MASB) Extends Transitional Period for Transitioning Entities

The Malaysian Accounting Standards Board ("MASB") had, on 7 August 2013, announced to allow entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities"), to defer the adoption of the Malaysian Financial Reporting Standards ("MFRS") Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015 in light of the latest status of the International Accounting Standards Board's ("IASB") work plan on the two transitional issues that have yet to be resolved.



Image source: www.asiatripagency.com



Myanmar Accountancy Council  
(MAC)  
Union of Myanmar

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

## Myanmar Accountancy Council (MAC)

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Office of the Auditor General  
Office Building No (12)  
Naypitaw  
Union of Myanmar

**Total members: 1,492**

## Myanmar Accountancy Council (MAC) Roundup of 2013

### Myanmar Accountancy Council (MAC)

Myanmar Accountancy Council was reformed on 23 October 2013 and six MAC meetings were held during 2013, and discussed about the new Myanmar Accountancy Council Law Draft and some professional affairs. The Council made important decision that is to provide more qualified accountants (CPA) in government sector by sending the CPA articles to government enterprises and departments.

Subcommittees of MAC, Syllabus upgrading and amending Committee meeting and Monitoring Committee meeting were held during the year. Total member were 485 up to December 2013.

### Myanmar Institute of Certified Public Accountants (MICPA)

Myanmar Institute of Certified Public Accountants (MICPA) signed memorandum of understanding with Association of Chartered Certified Accountants (ACCA), Chartered Institute of Management Accountants (CIMA), Institute of Chartered Accountants in England and Wales (ICAEW) and Daiwa Myanmar-Japan Foundation (DMJF) in 2013 to work together and to promote the Accountancy Profession in Myanmar. Moreover, MICPA and CIMA signed Memorandum of Agreement (MOA) in November.



MICPA and ACCA jointly organised the Myanmar Finance Leader summit at in August. MICPA and Deutsche Gesellschaft Für Internationale Zusammenarbeit (GIZ) jointly organised the seminar “The Banking Crisis and its Legacy: The Role of Auditors” and workshop “the Banks’ Business Model & Bank’s Risks” in October. MICPA and ICAEW jointly organised three days IFRS training workshop in November. MICPA held successfully various seminars on topics such as Initial Public Offering (IPO), Information Technology in Accounting and Auditing Practise, Information Security, Stock Exchange Mechanism and role of Players.

Jim Sylph, IFAC Executive Director, Professional Standards and External Relations; Prof. Arnold Schilder, Chairman of International Auditing and Assurance Standards Board (IAASB); and Jörgen Holmquist, Chair of the International Ethics Standards Board for Accountants (IESBA) met with MAC executive members, MICPA executive members and other stakeholders and discussed about Accountancy Profession in Myanmar and MICPA to be IFAC member.



AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Philippines Institute of Certified Public  
Accountants (PICPA)

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PICPA Building, 700 Shaw Boulevard  
City of Mandaluyong  
Manila, Philippines  
[www.picpa.com.ph](http://www.picpa.com.ph)

**Total members: 22,072**

## Philippines Institute of Certified Public Accountants (PICPA) Roundup of 2013

### PICPA Voluntary Quality Assurance Review (QAR) Program

This program is an initiative of the FY 2013-2014 leadership of the Institute, through its Quality Assurance Committee, to offer a quality assurance review that is in line with international standards namely the International Standard of Quality Control 1 and the International Standard of Auditing 220, to check on the quality controls of the practitioners, on a voluntary basis. The institutionalisation of QAR in the Philippines also fulfills one of the obligations of PICPA to the International Federation of Accountants, under Statement of Membership Obligations 1 Quality Assurance.

The program was launched with the development of modules such as the QAR for Practitioners and the QAR for Examiners. These modules will be rolled out to audit practitioners and examiners on the 1st quarter of 2014. A PICPA QAR Division will be organised to manage the QAR functions. Subsequently, practitioners/volunteers to the program shall be subjected to quality control check starting on the 2nd quarter of 2014.

### International Conference on Islamic Finance Muamalat and Financial Criminology (IFMFC)

In coordination with the Philippine Association of Islamic Accountants (PAIA) Inc., Accounting Research Institute (ARI), Universiti Teknologi Mara-Malaysia, PICPA CDO Misamis Oriental Chapter held the 2-day conference on October 23-24, 2013. The conference was designed to respond to the worldwide appetite for Islamic finance which is rapidly growing and has started to be recognised and accepted as a form of financing globally. The conference discussed issues and concerns related to Islamic financial products and services development, Islamic accounting and auditing as well as the challenges and opportunities in achieving a steadfast Islamic industry in the region.



Illustration: [www.piquenewsmagazine.com](http://www.piquenewsmagazine.com)

### 68<sup>th</sup> Annual National Convention (ANC)

The ANC is a much-awaited event by most Filipino CPAs in the Philippines. It is a once-a year event that provides avenue for our CPAs to meet and gather together in a well planned event packed with array of activities which are designed to build fellowship among our CPAs through training programs. This will enable them to be familiarised with the environment and standards as well as applicable practices in the profession and update them with the current laws, rules, and obligations in the accounting profession.

The ANC 2013 with the theme, Accountability, Credibility and Transparency (ACT) was held last November 13-16, 2013. It was a 4-day undertaking which was participated by over 2,400 CPAs coming from all over the Philippines. Twenty eight speakers who are known for their contributions in their field of professions shared their valuable insights, knowledge as well as time.

### Accountancy Profession Roadmap 2015

Initiated the cascading of the Accountancy Profession Roadmap 2015 which is the next step in the Board of Accountancy and PICPA's joint bid to be conferred the "INSTITUTIONALIZED" level, which will put the Philippine Accountancy Profession in the Hall of Fame recognition by the Institute of Solidarity in Asia.

### Joint Annual Planning Conference and Induction of new PICPA Officers for FY 2013-2014

The Annual Planning Conference (APC) and Induction of the new sets of officers for the fiscal year 2013-2014 was held on July 5-6, 2013. The two-days event was designed to introduce and updates the new sets of officers with the goal of the institution for the whole fiscal year. It was during this session that the theme for the fiscal year was described by the President of the Institution. The theme for fiscal year 2013-2014 is ACT Now. A for accountability, C for credibility and T for transparency. During the event, each chapter was given an opportunity to report the current status of their chapter and discuss their plans aligned with the fiscal year's theme and goals.

### Accountancy Week Celebration

The annual event was held on July 14-21, 2013, in coordination with the Association of CPAs in Commerce and Industry, the Association of CPAs in Public Practice, the National Association of CPAs in Education and the Association of CPAs in Government.

The nationwide celebration is a week of productive learning and sharing among and between the country's professionals, with array of activities designed to strengthen the linkages between sectors and members while addressing their needs for trainings and developments. One of the highlights of the event was the presence of Honorable Miriam Defensor Santiago, Senator of the Republic of Philippines as the keynote speaker in the opening ceremonies.

### Seminars Co-Presented by Four Sectors during AWC 2013

The 5<sup>th</sup> Controllers Accounting' Summit, Regulators and Educators Forum, Public Practice Day, Gacpa Day, and Cooperative Day, a five days seminars co-presented by the four sectors of accounting profession was participated by 770 CPAs. Various topics designed to empower our CPAs in different sectors with updates that can be useful in the practice of their profession were discussed by competent guest speakers from Securities and Exchange Commission, Bureau of Internal Revenue, Bangko Sentral ng Pilipinas, Philippine Stock Exchange, Professional Regulation Commission, and different large, publicly-listed, private companies of the country.



### Empowering the Junior Philippines Institute of Public Accountants (JPIAs)

Cebu Chapter of Eastern Visayas Region conducted an array of activities during the AWC 2013 which was attended by 4,500 students from different Universities of the province.

Southern Metro Manila Chapter, of Metro Manila Region conducted a whole day seminar on Leadership and Investment held on July 17, 2013, at PAGCOR THEATER, Casino Filipino, Ninoy Aquino Avenue, Parañaque City. The event was participated by 890 accounting students from 21 Universities from Metro Manila Region.

### SEC – PICPA MOA

PICPA entered into a Memorandum of Agreement with the Securities and Exchange Commission (SEC) for the conduct of Annual Briefings for corporate lawyers, accountants, officers, directors or trustees, members of audit committees and external auditors of the regulated corporations on implementing issues and concerns in April 2013. The first briefing of preparers and auditors of Financial Statements was conducted by the General Accountant of SEC on April 3, 2013 at the PICPA National Office.



Illustration: www.globalestudyours.com

### NAMFREL – PICPA Partnership

PICPA partnered with the National Movement for Free Election in the Philippines by providing them a site for their operations (3rd floor of the PICPA Building) and participation in the Random Manual Audit of election results on May 13, 2013 in the Philippines.

### MMR International Conference in Bali Indonesia

PICPA MMR held its 10th International Conference in partnership with the Association of Chartered and Certified Accountants on May 25-29, 2013 with the theme "Expanding Horizons . . . Developing Global Perspectives."

### Signing of The Integrity Initiative Commitment

Officers and members of the Philippine Institute of Certified Public Accountants (PICPA) made the "Integrity Pledge" to become part of the Integrity Initiative, a private group of business executives, consisting of the European Chamber of Commerce of the Philippines (ECCP) and the Makati Business Club (MBC).



INSTITUTE OF  
SINGAPORE  
CHARTERED  
ACCOUNTANTS

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Institute of Singapore Chartered  
Accountants (ISCA)

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60 Cecil Street  
ISCA House  
Singapore 049709  
[www.isca.org.sg](http://www.isca.org.sg)

**Total members: 27,394**

## Institute of Singapore Chartered Accountants (ISCA) Roundup of 2013

2013 was a particularly significant year for the Institute of Singapore Chartered Accountants (ISCA). The Institute celebrated its 50<sup>th</sup> anniversary, rebranded itself from the Institute of Certified Public Accountants (ICPAS) to the Institute of Singapore Chartered Accountants (ISCA), and was appointed by the Government as the Designated Entity to confer the Chartered Accountant of Singapore [CA (Singapore)] designation.

### Rebranding and Singapore Accountancy Convention 2013

The Singapore Accountancy Convention 2013 was held on 2 July with an impressive line-up of speakers, including Mr Warren Allen, President IFAC; Sir David Tweedie, Chair of International Valuation Standards Council (IVSC) and former Chair of International Accounting Standards Board (IASB); and Mr. Mark Spofforth, immediate Past President of Institute of Chartered Accountants in England and Wales (ICAEW). With the theme “The Singapore Chartered Accountant: A Beacon of the Asian Economy”, the Convention discussed the next phase of growth of the accountancy profession and its significance to the development of Singapore as a leading global accountancy hub. In addition to participants from Singapore, the Convention also welcomed guests from the ASEAN Federation of Accountants (AFA) as well as the Beijing Institute of Certified Public Accountants.



The Deputy Prime Minister and Minister for Finance Mr. Tharman Shanmugaratnam, who was the Guest of Honour, also announced the new name of the Institute at the Convention. The Institute’s re-branding as ISCA reflects the Institute’s new global vision, strategic role and appointment as the administrator of the Singapore Qualification Programme which was officially launched on 3 June 2013. ISCA is also the Designated Entity responsible for conferring the CA (Singapore) designation.

On the same evening, the Institute marked its 50<sup>th</sup> anniversary with a Golden Jubilee Dinner with Dr. Tony Tan Keng Yam, President of the Republic of Singapore as the Guest of Honour. In the presence of more than 1000 guests gathered to celebrate the significant milestone, President Tony Tan unveiled the Institute’s new logo and brand identity. The essence of the new ISCA brand of “Global Mindset, Asian Insights” is aligned with

the Institute's vision of becoming a globally-recognised accountancy body that brings value to its members, the profession and the wider community.

### Providing Insights and Championing Thought Leadership



The Institute completed a number of research projects, some in collaboration with partners, as part of its efforts to contribute to thought leadership. A key study was the ISCA-KPMG Risk Management Study which looked at the risk management structures, systems and disclosures of Singapore listed companies. The findings of the study were presented to the regulatory agencies who lauded the effort as a call to action for companies to raise their game in risk governance. The forum held in November 2013 to present and discuss the study findings was well attended by a full house of some 200 board directors and C-suite executives.

Other important projects included the ISCA-CPA Australia joint study on advisory services offered by small and medium-sized practices in Singapore; the Accountancy Sector Survey, working with the Singapore Accountancy Commission and ACCA.

Of note, ISCA worked closely with the International Integrated Reporting Council (IIRC) to raise awareness and gather feedback on Integrated Reporting. The Institute partnered the IIRC to hold "The Future of Corporate Reporting" roundtable in April 2013, and held a workshop that focused on Integrated Reporting at our landmark Singapore Accountancy Convention in July 2013. The Institute put up a report on the roundtable which was circulated by IIRC on its website.

One of the global issues impacting the profession is the proposed changes to the auditor's report. To prepare members for what is to come, ISCA held the forum "The Future of Auditor Reporting – Shaping Communication and What It Means for You", with the support of the Accounting and Corporate Regulatory Authority (ACRA), Singapore Accountancy Commission, Singapore CFO Institute, Singapore Institute of Directors and Securities Investors Association (Singapore) in October 2013. It was a platform for members to hear from representatives of stakeholder organisations on the future of auditor reporting, with further commentaries on the topic published in the media.

### Empowering our Small and Medium Practices (SMPs)

We see ourselves as a strategic partner to SMPs. In our view, the development of SMPs is based on two pillars – raising technical quality, and capacity-building.

Under ISCA's Quality Assurance framework, we have specific initiatives to provide technical support to SMPs. These include the Quality Assurance Review (QAR) programme and SSQC 1 Implementation Support, as



well as Technical Clinics for knowledge sharing. We organised a Quality Assurance Review Seminar in November 2013 which was well attended by more than 220 participants. The seminar included presentations featuring common deficiencies identified in the QAR programme and the solutions in addressing them. The Institute also developed and organised a series of structured training programmes and Practical Audit Workshops to support SMPs' skills development. The pilot run of Practical Audit Workshop Level 1, which was held in August/September 2013, was met with overwhelming response.

To help SMPs in the implementation of SSQC 1, ISCA rolled out a slew of initiatives during the year in 2013. These included the issuance of comprehensive practice guides, pre- and post implementation workshops as well as informative articles.

In May 2013, ISCA launched its first ever business mission to China for SMPs. Thirteen participants from 10 public accounting firms participated in the inaugural mission and had the opportunity to network with SMPs from Beijing. The Institute organised its second business mission to Iskandar Malaysia in September, providing a networking platform for our local SMPs and Johor-based SMPs, as well as an overview of the development of the Iskandar Region. Fifteen Singapore public accounting firms took part in the mission.

### Championing Productivity and Excellence in the Profession

Under our Accountancy Productivity Roadmap, we produced the pilot productivity study for the accountancy sector in Singapore. We also worked with SAP to produce a productivity scorecard and benchmarking survey report for the accountancy sector in Singapore. While the pilot productivity study focused on SMPs, the productivity scorecard and benchmarking survey covered accounting firms as well as accounting and finance



functions in commercial entities. These studies helped identify their strengths and weaknesses, how they compared to local as well as global peers, and the areas which they could improve themselves. The reports of these studies were released in February 2013.

ISCA is also encouraging our SMP members to embrace technologies to automate some of their current manual work processes to increase productivity. ISCA facilitated this by promoting industry-wide adoption of innovative Software-as-a-Service (SaaS) cloud computing solutions for practice management in the middle of last year. This will allow SMPs to adopt technologies without incurring initial heavy upfront investments for software and infrastructure. At the close of the call for collaboration in mid-2013, more than 50 SMPs signed up to subscribe to the SaaS for practice management. The Institute is now looking at the possibility of incorporating corporate tax and core accounting/ audit modules in the SaaS in future.

In the increasingly digital business landscape, ISCA co-organised a training seminar on XBRL with the Accounting and Corporate Regulatory Authority (ACRA) in September 2013 on how to tap on XBRL-enabled business data to gain business insights and enhance users' decision-making process. The seminar "Unlock the Value of Business Data – Revised XBRL Filing Requirements" was well attended by over 500 participants who found the seminar effective with live demonstrations on the key BizFinx features and the new BizFinx filing system. The seminar is part of ACRA's effort to facilitate companies' transition to full XBRL filing under the revised XBRL filing requirements.

### Raising the Quality of Financial Reporting

To help raise the quality of financial reporting among companies in Singapore, ISCA organised the annual Financial Statement Review Committee (FSRC) Seminar on 3 October 2013. More than 280 participants from accounting firms, commercial entities and statutory boards attended the seminar to find out more about particular Singapore Financial Reporting Standards (SFRs) and Singapore Standards on Auditing (SSAs) where members had encountered application problems and required more guidance. The FSRC reviews audited financial statements with the objective of providing constructive feedback in areas where the presentation or content of the financial statements fall short of compliance with the SFRs and SSAs.

### Fostering International and Regional Ties

The Institute continued to chair the Professional Regulatory Authorities (PRA) meeting of the ASEAN Coordinating Committee on Services (CCS) during 2013. Under ISCA's chairmanship, the meeting comprising the 10 ASEAN Member States has completed its negotiations on the ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services in 2013. The first legal scrubbing of the draft ASEAN MRA by legal officers of the respective ASEAN Member States was held in November 2013. The ASEAN MRA is targeted to be signed in August 2014.

As part of its cooperation with our Vietnamese counterpart VACPA, ISCA conducted a training session in Hanoi, Vietnam on 9 May 2013. This seminar which was attended by more than 120 participants was well received. During the year, ISCA also shared best practices on quality assurance and practice monitoring review with our counterparts from Thailand and Vietnam in response to their requests.

On 1 July 2013, ISCA hosted the ASEAN Federation of Accountants (AFA) Council meeting. It was attended by 37 AFA delegates as well as representatives from World Bank. In September 2013, ISCA hosted a benchmarking visit from the Kenyan Accountants and Secretaries National Examinations Board (KASNEB) which was undertaking a major review of its CPA examination syllabus. The visit provided ISCA with the opportunity to establish

linkage with our counterparts in Kenya, paving the way for more exchanges in future. In November 2013, ISCA also hosted the Malaysian Institute of Accountants (MIA) and the Federation of Accounting Professions (FAP) of Thailand as part of their benchmarking efforts. During the visits, the Institute shared with them the Singapore Qualification Programme and initiatives for small and medium practices.

### Enhancing International Collaboration

Throughout the year, we continued to enhance our collaboration with our international partners, thereby raising the visibility of the ISCA membership and bringing our members greater professional recognition. We participated in global initiatives and international events and invited global thought leaders to speak on international issues at our events. These deepened the engagement with our international counterparts and helped raise our international standing.

The Institute took part in the IFAC Chief Executives' Forum in New York in February 2013. The Institute was a key supporting partner of the IFAC-GPPC symposium held in Singapore in May 2013. And at our Singapore Accountancy Convention in July, our speakers included thought leaders such as Mr Warren Allen, IFAC President; Sir David Tweedie, Chairman, International Valuation Standards Council and former Chairman, IASB, and Mr Mark Spofforth, immediate-past President, Institute of Chartered Accountants in England and Wales (ICAEW).

More recently in November 2013, an ISCA delegation led by ISCA President Dr Ernest Kan attended the 113<sup>th</sup> ASEAN Federation of Accountants (AFA) Council Meeting and participated in the 18<sup>th</sup> AFA Conference hosted by the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) in Phnom Penh, Cambodia. Lim Ai Leen, Executive Director of Technical Knowledge Centre and Quality Assurance, ISCA, gave a presentation on the Institute's efforts to support the development of Singapore's SMPs, while Yee Cheok Hong, Executive Director, Policy and Strategic Planning/Industry Development, ISCA, participated in the panel discussion.



Also in November 2013, Dr. Kan represented the Institute at the 30<sup>th</sup> Anniversary Session of United Nations Conference on Trade and Development (UNCTAD)'s Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). Dr Kan shared Singapore's perspective on human capital development challenges, in light of ASEAN's pursuit of high quality corporate reporting. Dr Kan also represented the Institute as a panellist at the IFAC Council Workshop in Seoul, South Korea, in the same month. The panel provided an ASEAN perspective on attracting and retaining talent, given the talent crunch and increased demand for specialist skills in the accounting profession.



FEDERATION OF  
ACCOUNTING PROFESSIONS  
(FAP)



AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Federation of Accounting Professions (FAP)

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133 Sukhumvit 21 Road (Asoke)  
Klong Toei Nua, Wattana  
Bangkok 10110, Thailand  
[www.fap.or.th](http://www.fap.or.th)

**Total members: 57,244**



## Federation of Accounting Professions (FAP) Roundup of 2013

During 2013, the Federation of Accounting Professions (FAP) Thailand engaged in numerous activities in relation to the development of the accountancy profession in Thailand.

With regards to standards setting, Thai Accounting Standard (TAS)/IFRS, Interpretation and Guidelines are now in accordance with IFRS Bound volume 2012. IFRS for SMEs is in the process of reviewing the effects and setting implementation plan.

All Thai Standards on Auditing (TSA) have already been prepared in conformity with the International Standards on Auditing (ISA) and all amendments according to the Clarity Project have already been adopted. FAP will consistently revise TSA according to any amendments made by the IAASB in order to ensure the status of being in conformity with the ISA.

Various professional training programs have been arranged in order to enhance the competence of FAP's members and professional accountants, for example;

- a. Technical Skills - new or revised TFRSs, Integrated Audit course, accounting standards comparing to tax regulations, Accounting and Tax Planning, Cost Accounting Practices for Accountants, Preventing Fraud by Forensic Accounting and COSO 2013 Framework System.
- b. Certificate programs - Professional Controller Certificate Program, Investor Relations Professional Certificate Program and Internal Audit Certificate Program.

In 2013, FAP has initiated a program called Diploma in Thai Financial Reporting Standard. This is an examination based on TFRS necessary for Thai accountants who mainly work in PAE environment. The program is recognised by Securities and Exchange Commission of Thailand. The test takers who pass the exam will receive a certificate from FAP.

Thailand Accounting Challenge, held on 26 January 2013, was the first national accounting competition for undergraduates in Thailand organised by FAP. It aims to promote nationwide university students' accounting technology and education.

FAP also work together with other organisations representing other professions. FAP also actively involved in discussions with government representatives and international organisations on issues related to MRA and other Free Trade Agreements which affect the profession.





**Vietnam Association of  
Accountants and Auditors  
(VAA)**

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

Vietnam Association of Accountants  
and Auditors (VAA)

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192 Giai Phong Road  
Thanh Xuan District  
Hanoi, Vietnam  
[www.vaa.net.vn](http://www.vaa.net.vn)

**Total members: 8.000**

## Vietnam Association of Accountants and Auditors (VAA) Roundup of 2013

Throughout 2013 VAA has organised a number of activities, among others were:



Illustration: [www.diversityconference2005.co.uk](http://www.diversityconference2005.co.uk)

1. National Chief Accountants Club (member of VAA) organised the 42<sup>th</sup> meeting at Quy Nhon city with more than 200 members attended.
2. VAA and ACCA Vietnam held a workshop about the Accounting Law in Ha Noi city.
3. VAA has continued participation in the Accounting Standards Board (MOF) for researching and elaborating news accounting standards.
4. Advisory work: VAA assisted at the Editing Board for Accounting law by Ministry of Finance; VAA have contributed opinions for Vietnam Constitutional amendment project.
5. VAA have had 2 meetings to discuss about preparation of the 5<sup>th</sup> National Congress that will be held in April 2014.
6. VAA has participated in the Accounting Standards Board (MOF) for researching and elaborating news accounting standards.
7. Advisory work: VAA assisted at the Editing Board for accounting law by Ministry of finance; VAA have contributed opinions for Vietnam Constitutional amendment project, Civil law and land law.



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# NEWS FROM AROUND THE REGION

CPA Australia Limited

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Level 20  
28 Freshwater Place  
Southbank, VIC 3006  
Australia

[www.cpaaustralia.com.au](http://www.cpaaustralia.com.au)

**Total members: 150,000**

## Certified Practising Accountants Australia (CPA Australia) Roundup of 2013

### Indonesia



• Prof. Sidharta Utama, National Board Member of the Indonesian Institute of Accountants (IAI) delivered an opening address.

### International Seminar on International Financial Reporting Standards (IFRS), 6-7 March 2013

CPA Australia was a key sponsor of the International Seminar on International Financial Reporting Standards, held in Jakarta on 6-7 March 2013. With several new standards issued in recent years, and more in the pipeline, the seminar was held to update local professionals and to discuss the impact on Indonesia. The keynote speakers were Hans Hoogervorst, Chairman of IASB, representatives from the Big 4 and former and current members of IASB.

The seminar was attended by approximately 200 professional accountants from a wide cross section of business and government.

### CPA Australia Accounting Competition at Auditorium LIPI, 13 April 2013



• (Right) Mr. Muljono Pringgoharjono CPA as President of CPA Australia - Indonesia Committee Members.

As a commitment of promoting and strengthening the accounting profession in Indonesia and to help students with challenges arising from the ASEAN Free Trade Area (AFTA) agreement starting in 2015, CPA Australia held the first accounting competition in Indonesia as an accounting profession body. The event was opened by Muljono P Pringgoharjono, Indonesia Advisory Committee President, and Retty Setiawan, Country Manager – Indonesia of CPA Australia.

## Memorandum of Cooperation



- (From left) Mr. Hendro Lukman, Secretary II of Accounting Department, Tarumanagara University; Dr. Sawidji Widodoatmodjo, Dean of Economics Faculty, Tarumanagara University; Ms. Retty Setiawan, Country Manager – Indonesia, CPA Australia; Ms. Decy Teh, Business Development Manager, CPA Australia.

## Joint Seminar with Indonesian Auditors Board



- Mr. Ignasius Jonan, President Director of Indonesian Railways (PT Kereta Api Indonesia (PT KAI)).

CPA Australia continues to deepen its cooperation with the higher education sector in Indonesia.

During 2013, CPA Australia signed a Memorandum of Cooperation with Tarumanagara University, STIE YAI, Indonesia Banking School and Trisakti University, which will facilitate future collaboration and accreditation to enhance their students' accounting skills and knowledge.

CPA Australia continued its work with the Training Centre of the Audit Board of the Republic of Indonesia.

A joint seminar entitled "Public Service Reform: A Case Study from PT Kereta Api Indonesia (Persero)" was held on 22 August 2013. The seminar, to be conducted quarterly, was the first such event conducted by an international accounting association in Indonesia. Over 200 participants attended, including CPA Australia members and executives and employees of the Audit Board. Mr Ignasius Jonan, President and Director of Indonesian Railways, who was named the Most Innovative CEO of 2012, was the guest speaker.

## Vietnam

### Reinforcing rapport with Vietnam governmental ministry and local professional body



- (From left) Nguyen Chi Trung, Managing Partner, Nexia ACPA Vietnam; Caroline Bancroft, Manager QA Program Operations, CPA Australia; Bui Van Mai, Vice President, Vietnam Association of Certified Public Accountants (VACPA); Peter Docherty, General Manager Public Practice, CPA Australia; Nguyen Tuan Nam, Audit Partner, Nexia ACPA Vietnam; Nguyen Viet Nga, Partner – Audit and Assurance, Ecovis Vietnam; Tran Thanh Thao, Office Deputy Manager, VACPA.

CPA Australia was selected to deliver the quality assurance component of the "Modernizing the Vietnam Association of Certified Public Accountants" Project which is administered by the World Bank and implemented by VACPA.

The QA component is particularly important as the deliverable will be draft circular to be submitted to the Government of Vietnam for approval as a firm foundation. As such, it will have a long term impact on the development of the independent auditing profession in Vietnam.

### CPA Australia granted scholarships worth almost 2 billion dong (January 2013)

In January 2013, CPA Australia granted 10 scholarships, totalling two billion dong (80,000 AUD) to high achieving students majoring in Accounting and Finance from the Ho Chi Minh University of Economics and Law. This initiative will support high achieving students from leading Vietnamese universities to obtain the CPA (Aust.) designation whilst undertaking their internships at leading accounting firms.

### CPA Australia 5<sup>th</sup> Anniversary Celebration and Office Relocation Opening, 17-19 June 2013

CPA Australia celebrated the 5<sup>th</sup> anniversary and office relocation of its representative offices in Hanoi and HCMC.

Close to 160 guests, including CPA Australia members, representatives from government agencies, professional bodies, and the Australian embassy were amongst those attending the event.



• (From left): Mr. John Ditty FCPA, Chairman - Vietnam and Cambodia, KPMG Ltd. cum President – HCMC Advisory Committee of CPA Australia, Mr. Jeff Hughes, COO – Member Services, CPA Australia, HE.Mr. John McNulty, Consul – General, Australian Consulate – General in HCMC, Mr. Nguyen Tan Tai, Deputy Director, HCMC Department of Finance.

### 2013 Certificate Presentation Ceremonies

Certificate Presentation Ceremonies were held in Hanoi and HCMC in December 2013 for those who successfully completed the CPA Program. Honorary membership was also awarded to the Vietnam Minister of Finance Mr Dinh Tien Dung FCPA (Aust.) and Deputy General Auditor Dr Doan Xuan Tien FCPA (Aust.).

### Cooperation Agreement Signing Ceremony with Sai Gon University

CPA Australia signed a Cooperation Agreement with Sai Gon University, further strengthening their relationship.



• (Front): Mrs Thien Huynh, Regional Manager - South Vietnam, CPA Australia and Associate Prof. & Dr. Nguyen Khac Hung, Vice Rector, Saigon University (SGU)  
Back: HE.Mr. John McNulty, Consul – General, Australian Consulate – General in Ho Chi Minh City and Associate Prof. & Dr. Nguyen Viet Ngoan, Rector, Saigon University (SGU).

## Malaysia

## CPA Australia, MUSC collaboration agreement



• (From left) Jeff Hughes and Professor Helen Bartlett.

On 7 Feb 2013, CPA Australia and Monash University Sunway Campus (MUSC) entered into a collaboration agreement to conduct a CEO survey examining the opinions of chief executive officers and business leaders on general economy and issues relating to the business climate in Malaysia.

Arising from the survey results, a report was produced and key issues and findings were discussed at a panel forum comprising CPA Australia's C-suite members as well as selected individuals from various industries.

## Career Expo – The Naked CEO Launch



• Panel session on the life of an Accountant – Beyond just numbers moderated by Alex Ooi  
(From left) Patrick Ng, Assurance Partner & Human Capital Leader of PwC, Jimmy Lai, Partner of Deloitte, Alex Ooi, Malaysia Divisional President who is also Audit Partner of BDO, Tai Lai Kok, Executive Director of KPMG and James Chan Kuan Chee, Partner of Crowe Horwath.

Close to 700 jobseekers and graduates visited CPA Australia's Career Expo in the Kuala Lumpur Convention Centre on 13 April. Visitors networked with Malaysia's top employers and explored job opportunities for accountants in finance, shared services and related industries. A total of 33 employers, including 19 recognised employer partners, participated as exhibitors and panellists on several forums.

The Expo was also the venue for the Malaysian launch of CPA Australia's The Naked CEO.

The Career Expo is organised annually across Australia, Hong Kong, Singapore and Malaysia to provide a platform for individuals seeking career advice, information and recruitment trends to build a career based on professional accounting skills.

## Signing of record of discussion between CPA Australia and the Accountant-General's office



• (From left) Alex Malley, Chief Executive, CPA Australia and Dato' Rosini Abdul Samad, Deputy Accountant General

CPA Australia and the Malaysian Accountant General's department have signed a record of discussion for future collaboration.

The areas of collaboration include establishing a pathway and support structure for the department's staff to obtain professional qualification from CPA Australia, as well as facilitating CPA Australia to support and provide guidance on relevant continuous professional development courses.

## Signing of collaboration with Talent Corporation Malaysia

CPA Australia entered into a collaborative agreement with Talent Corporation Malaysia (TalentCorp) to assist employers in enhancing the quality of the talent pipeline via the Get Qualified! Fund.

Two hundred students are expected to undergo the collaboration program. New graduates, employed for



less than six months, were offered the opportunity to complete professional development training through the CPA Program.

The collaboration encourages leading employers, particularly in the fast-growing shared-services industry, to jointly invest with the government in Malaysia's young talent.

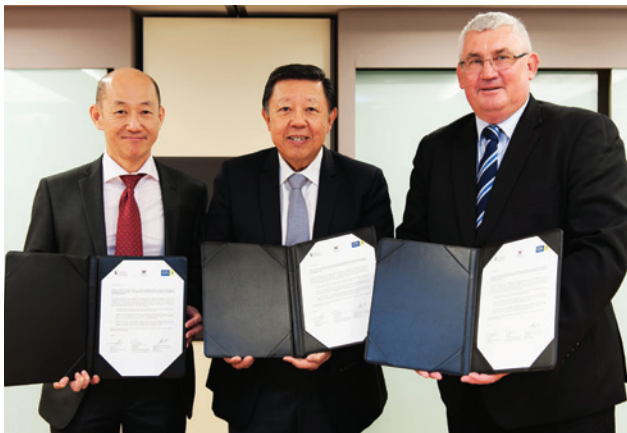
### The CPA Australia Asia Pacific Small Business Survey 2013 - Malaysian findings

The CPA Australia Asia Pacific Small Business Survey is an annual snapshot of small business confidence throughout the region – part of a longitudinal study that began in 2009. The survey was launched in Malaysia on 28 November at Pullman Kuala Lumpur Bangsar.

The event was broadcast on TV3 Current News segment, Prime News and Nightlines and was featured in several newspapers such as China Press, Nanyang Siang Pau, New Straits Times and SME Malaysia.

## Singapore

### Reciprocal membership with SAC and ISCA



• (From left): Dr Ernest Kan FCPA (Aust.), President, ISCA; Michael Lim, Chairman, SAC; and John Cahill FCPA (Aust.), 2011-13 President and Chairman of the Board, CPA Australia.

In October 2013, CPA Australia, Institute of Singapore Chartered Accountants (ISCA) and the Singapore Accountancy Commission (SAC) signed a Memorandum of Understanding (MOU) affirming their continued commitment to exploring potential reciprocity for members of CPA Australia and ISCA.

The MOU builds on a Letter of Intent signed by the three bodies in April 2013. A reciprocity agreement sets out the framework for members of one body to become a member of the other, subject to members meeting the conditions of the agreement. The initiative is aimed at strengthening the accountancy talent pool in Singapore, as the nation moves closer to becoming the leading global accountancy hub for the Asia Pacific region by 2020.

### Financial Reporting Standards (FRS) Forum



• Guest of Honour Kenneth Yap, Chief Executive, ACRA, delivers the keynote address at the Financial Reporting Standards Forum.

CPA Australia organised the inaugural Financial Reporting Standards Forum in May 2013 to provide a practical focus on IFRS and insights into the before and after impact of implementation issues and requirements of developing standards.

Partnering the Accounting Standards Council and accounting firms BDO, Deloitte, EY, KPMG and PwC, the Forum covered significant changes in accounting standards and their implications in the preparation and audit of financial statements.

### New path for mid-career professionals to join accounting

CPA Australia collaborated with NTUC's Employment and Employability Institute (e2i) on a structured Audit Assistant training programme leveraging our CPA Program foundation level. This pilot programme helps mid-career professionals with no accounting background start a career in accounting.



**Chartered  
Accountants**

NUMBER ONE IN NUMBERS

AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

The Institute of Chartered Accountants  
in Australia (ICAA)

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33 Erskine Street  
GPO Box 9985, Sydney  
NSW 2000, Australia  
[www.charteredaccountants.com.au](http://www.charteredaccountants.com.au)

**Total members: 73,000**

## The Institute of Chartered Accountants in Australia (ICAA) Roundup of 2013

### One New Institute

Members of the Institute of Chartered Accountants Australia (ICAA) and the New Zealand Institute of Chartered Accountants (NZICA) voted on the proposal to form One New Institute.

In October 2013 the ICAA and NZICA members voted in favour of the One New Institute proposal. Following the vote outcome, the New Zealand government has now introduced the Accounting Infrastructure Reform Bill which will make the necessary changes to New Zealand legislation for the amalgamation to proceed. Similarly, preparations on the ICAA Royal Charter changes are underway. These changes are expected to be completed by April 2014. The two Institutes will transition into a single trans-Tasman professional body called Chartered Accountants Australia and New Zealand

### ICAA Essential Guidance

The ICAA has recently published a number of publications including the Essential Guidance for the December 2013 reporting season, Business Briefing 20 issues on business innovation and an ethics paper.

The Essential Guidance highlights regulatory considerations for directors and auditors of financial reports in light of prevailing economic conditions and highlights recent information from the Australian Securities and Investment Commission to help companies understand what should be disclosed in operating and financial reviews.

The Institute partnered with Innovation Australia to produce the latest Business Briefing 20 issues on business innovation. This paper examines key issues around innovating and outlines trends in innovation and provides practical tips to help businesses become more innovative and identifies current challenges and opportunities.

With the rise in focus on business ethics the Institute released the ethics paper Why business ethics matter to your bottom line. The paper looks at the need for Australian businesses and companies to build institutional integrity into an organisation to support employees making ethical choices.

### Leadership Seminars



Illustration: [www.cio.com](http://www.cio.com)

Over the course of the last year the ICAA has published a series of thought leadership initiatives under the future[inc] banner aimed at contributing to the public policy debate in Australia. The first in the series was titled Developing a plan for Australia's economic prosperity, which delivered a SWOT analysis of the current state of the Australian economy, with a mapping of the key strategies that need to be the anchor point for major policy decisions. There have been several follow-up publications. The latest in the series, titled The first 100 days – Priorities for a stronger economy, was published shortly after the Federal election in September 2013 which led to a change of government and to the Liberal / National Coalition as the governing party.



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# NEWS FROM AROUND THE REGION

The Association of Chartered Certified  
Accountants (ACCA)

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ACCA ASEAN & Australia  
27th Floor, Sunway Tower  
86 Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
[www.accaglobal.com](http://www.accaglobal.com)

**Total members: 162,000**

## The Association Of Chartered Certified Accountants (ACCA) Roundup of 2013

### ACCA Wins World Bank Project to Support CAPA in the Development of Accountancy Profession in Mongolia, the Philippines and Vietnam

A World Bank funded project to support CAPA in the development of the capacity of the accountancy profession in Mongolia, the Philippines and Vietnam was awarded to ACCA in partnership with consulting firm AARC in December 2013.

This important project aims to support the Confederation of Asian and Pacific Accountants (CAPA) in its work to develop the capacity of the accounting profession through the national professional accountancy organisations (PAOs) in the three countries: Mongolian Institute of Certified Public Accountants (MonICPA), Philippine Institute of Certified Public Accountants (PICPA), Vietnam Association of Certified Public Accountants (VACPA).

### Health Sector Management Consultant Elected President of Global Body

Health sector management consultant Martin Turner from Wales was elected to serve as President of ACCA in September 2013.

During his career Martin has worked in the UK and Australia, where he worked as Chief Executive for the Health Services in Adelaide. He also completed the senior management programme at Harvard University in 2000. Martin worked for over 20 years as a Chief Executive in the National Health Service in the UK and prior to that he was a senior Finance Executive in the Health Service. He is also the Finance Director of a small company in the UK.

Mr Turner qualified with ACCA in 1976 and became a Fellow of ACCA (FCCA) in 1981. He is currently a freelance management consultant, advising the health sector in countries including Iraq, Kazakhstan, Nigeria and Serbia. He is a keen sports fan - especially rugby union, and plays golf when he finds the time.

### 10,361 New Members Join ACCA in 2012 /13

World-wide membership of ACCA has increased from 154,000 to nearly 162,000 over 2012 / 13, the global body for professional accountants announced in June, with some 10,361 new members being welcomed in the period.

ACCA also reported that business leaders and employers of professional accountants had endorsed ACCA as a global leader in its sector, following a survey which covered 35 countries. The ACCA Qualification continues to be highly attractive to aspiring professionals around the world, with ACCA recruiting 61,311 new students to the professional ACCA Qualification, an increase on last year.

### ACCA Hosts ASEAN Learning Conference on Nurturing Future Talent

As part of ACCA continued efforts to develop excellence in professional accounting education and establish best practices amongst tertiary accounting education providers, ACCA organised its first ASEAN Learning Conference 2013 themed Supporting Growth – Nurturing Talents towards an Integrated Nation with the aim of supporting ACCA's learning providers and giving them the unique opportunity for ACCA and its partners and stakeholders to come together to share and discuss key knowledge, expectations, aspirations and challenges around the dynamics that drive human capital development needs and the changing aspects of doing business in ASEAN.

The conference was attended by Mr. Subash Bose Pillai, Director of the Market Integration Directorate, ASEAN Secretariat; Assoc. Prof. Dr. Bui Anh Tuan, Director General of Higher Education Training Department, Ministry of Education and Training, Vietnam and 150 university and tuition provider delegates from eleven different countries including Cambodia, China, Indonesia, Kazakhstan, Laos, Malaysia, Mongolia, Myanmar, Singapore, Thailand and Vietnam participated in the sessions to address common challenges in the region.



### MonICPA and ACCA Sign Historic Memorandum of Understanding

MonICPA (the Mongolian Institute of Certified Public Accountants) and ACCA (the Association of Chartered Certified Accountants) signed a memorandum of understanding (MoU) on the 12 of November 2013.

The MoU was signed by Mr. Bayanmunkh Gombo, President, MonICPA and Mr. Martin Turner, President, ACCA, and witnessed by Mr. Chimidsuren Choigunsen, Executive Director, MonICPA and Ms. Helen Brand, Chief Executive, ACCA. Mr. Steve Heathcote, Executive Director – Markets, ACCA and Mr. Reza Ali, Head of Emerging Markets – Asia, ACCA were also present at the MoU signing ceremony.



### ACCA Joins BIAC's Associated Experts Group

ACCA (the Association of Chartered Certified Accountants) is delighted to announce its admission to BIAC's Associated Experts Group (AEG).

The Business and Industry Advisory Committee (BIAC) is the voice of the businesses community in the Organisation for Economic Co-operation and Development (OECD). It acts as an independent international business association devoted to advising government policymakers at the OECD and related fora.

### CFO for Government a Necessary Move, says ACCA

Helen Brand OBE, the chief executive of ACCA (the Association of Chartered Certified Accountants), welcomes the review of financial management in government, published today by the Treasury.

ACCA says there are many examples of good financial management practice across government, but that the main problem is the lack of consistency across Whitehall; Ms Brand considers that a CFO or DG would bring more stability.

Helen Brand also believes the proposed risk based approach to financial control across government departments is a much needed balanced process. Ms Brand adds: 'This proposal would ensure that financial decisions are delegated to those with the greatest local knowledge and access to relevant information and who are best placed to judge the value of the expenditure and corresponding opportunities and risks.'

## New Chairs for ACCA's Global Forums Announced to Lead Fresh Thinking in The Debates of the Accountancy Profession

Three new chairs from Africa, Europe and Asia have been announced to continue the leading role that ACCA's global forums are developing on key issues in the global accountancy profession

Leaders from three continents will bring fresh thinking to issues in the accountancy profession by ACCA's (the Association of Chartered Certified Accountants) Global Forums.

### THE NEW CHAIRS ARE:

**Rosanna Choi**, chair of the Global Forum for SMEs

**Tom Duffy**, chair of the Global Forum for Taxation, and

**Stephen Emasu**, chair of the Global Forum for the Public Sector

ACCA extends its great appreciation to outgoing chairs Mark Gold FCCA (partner at Silver Levene in the UK and now chair of the FEE SMP Forum), Mukesh Gunamal FCCA, (Director of global tax quality and risk management at EY), and Datuk Wan Selamah Wan FCCA (accountant general of Malaysia and instrumental in the country's public sector adopting accrual accounting).

## Big Data: The Power or Peril of the Finance Profession



New report points to legal and ethical pitfalls. How (rather than 'to what extent') is the business world going to be impacted by big data? is the most relevant question accountants and finance professionals should ask themselves, claims a report released today by ACCA (the Association of Chartered Certified Accountants) and IMA® (the Institute of Management Accountants).

In a recent survey by ACCA and IMA 62% globally cited big data as hugely important to the future of business, potentially giving savvy businesses an edge on their competitors. The volume and variety of data able to be collected by businesses and governments is increasing at intense rate, providing a potential treasure trove of information. The ability to organise, make sense and analyse it is at the core of the substantial investments that corporations are making.

## New ACCA Certificate Launched for Small Business Reporting Standard

The CertIFR for SMEs was launched in January 2013 by ACCA to ensure finance professionals understand the details of the International Financial Reporting Standard (IFRS) that has been introduced for SMEs.

The IFRS for SMEs has significant disclosure reductions to the full IFRS for larger companies, and different accounting treatments for some items such as goodwill. The aim of the certificate is to ensure finance professionals will understand how the IFRS for SMEs is used around the world and know how to use it in practice. It will also enable them to examine its fundamental requirements for the benefit of preparers, auditors and users of financial statements.

## Whistleblowing Laws and Audit Independence Must Be Promoted to Build Trust in Public Services, says ACCA Report

Whistleblowing laws and policies must be promoted by finance professionals working in the public sector around the world, to ensure that communities can have full confidence in how their taxes are being spent, a report issued by ACCA in Spring 2013 said.

Finance professionals have a critical role to play in building public trust by championing the cause of developing anti-corruption procedures and cultures, says ACCA's report Setting high professional standards for public services around the world which has been updated for 2013.

### Finance 'Super Hub' Cities to Draw in Top Talent, Says ACCA

A report issued by ACCA in May 2013 said that emerging finance 'super hub' cities were likely to attract the world's best emerging finance and accounting talent, while traditional finance career hierarchies could be disrupted as the hunt for the next generation of finance leaders changes course in the wake of the changing face of global finance operations.

In a glimpse of how businesses may make the most of their finance capabilities in the near future, senior finance leaders from organisations such as IBM, Accenture and Deloitte, have told ACCA the search for and retention of talent in the sector is likely to evolve as the footprints of global finance functions change, pointing to the possible emergence of finance delivery 'super hubs' – cities that attract and hold the best talent.

### ACCA Honours Two Giants of the Accountancy Profession



Ian Ball, the former Chief Executive officer of the International Federation of Accountants (IFAC) and Professor Bob Eccles, senior lecturer at Harvard Business School, were presented with honorary membership at a Joint ACCA Council and International Assembly Dinner at the Royal Society of Arts in London in November 2013.

ACCA President Martin Turner said that Ian Ball was being bestowed the honour in recognition of his contribution to the development of the global profession and for championing the cause of improving financial management in the public sector.

Professor Eccles was presented with honorary membership of ACCA for his contribution to developing the thinking behind Integrated Reporting.

### Integrated Reporting to Create Value in ACCA Qualification

In January 2014, ACCA announced it will be the first global accountancy body to introduce integrated reporting into its qualification

Students will be examined on integrated reporting (<IR>) for the first time in the accountancy profession when ACCA (the Association of Chartered Certified Accountants) introduces it into its qualification from December 2014.

More information about the ACCA Qualification can be found at: <http://www.accaglobal.com/en/qualifications/glance/acca/overview.html>

### Integrated Report Sets Out How ACCA Creates Public Value

ACCA's (the Association of Chartered Certified Accountants) annual report for 2012/13 has been published for the second year using the draft framework issued by the International Integrated Reporting Council (IIRC).

The framework is centred on the material information about an organisation's strategy, governance, performance and prospects that reflect the commercial, social and environmental context within which the organisation operates.

The report has a focus on ACCA's long-term value creation process. It provides readers with a succinct and comprehensive view of how ACCA created value through its strategy over the past year, as well as showing how it intends to do so in the future.

### ACCA Unveils a New Competency Framework for Complete Finance Professionals

In April 2013, ACCA introduced an interactive checklist of competencies which business leaders require from aspiring finance professionals.

ACCA has identified the following 10 key competencies for complete finance professionals in its new Competency Framework: professionalism and ethics; governance, risk and control; stakeholder relationship management; strategy and innovation; leadership and management; corporate reporting; sustainable management accounting; financial management; audit and assurance and taxation.



### ACCA's Accounting for the Future Online Event Attracted 10,000 Participants

More than 10,000 finance professionals signed up to the worldwide "Accounting for the future" event organised by ACCA in October 2012.

The online event, comprising of live and pre-recorded webcasts, presentations and workshops, was available live and on-demand to those who register and explored the role that finance professionals will play in building a stronger and sustainable global economy.

The week-long event, looked at emerging issues related to risk management; the issue of valuation and how trends and developments in social and environmental accounting may lead to changes in the methods used by accountants to evaluate assets and liabilities; global trends and developments in corporate disclosure; the importance of investor engagement and the 'Green Economy'.

### "Is Corporate Asia Ready for the Green Economy?," Asks ACCA

A report issued by ACCA in December 2012 explored the concept of a 'green economy', and its relevance in Asia. It brings together the views of companies, investors, NGOs and accountants from across Asia and demonstrates the need for a multi-stakeholder approach to sustainability.

The report followed a series of events that took place earlier in 2012 in four cities across Asia - Singapore, Jakarta, Hong Kong and Beijing.

These events drew together representatives from a range of leading NGOs, business organisations, corporations and the accountancy firms and were held in partnership with the international NGO, WWF.

### ACCA Awards Standard Chartered Bank with Global Accreditation

ACCA confirmed in January 2013 that Standard Chartered had met the quality criteria for the award of global Approved Employer (Trainee Development – Gold) status. This means that all Standard Chartered finance and accounting employees who are registered as students with ACCA will receive valuable support to help them successfully complete the ACCA examinations and gain practical experience that enables them to acquire the range of competencies required of finance and accounting professionals in business today.

### Small Businesses Need Support to Trade Internationally, finds Global Research

A coalition of international accountancy bodies has recommended that governments and Small and Medium Sized Accountancy Practitioners (SMPs) could offer more help, guidance and support to Small and Medium Enterprises (SMEs) looking to internationalise.

The Edinburgh Group, made up of 14 accountancy bodies from around the world, including ACCA, conducted new research amongst SMPs to understand the opportunities and challenges faced by their SME clients.

Published in a report "Growing the global economy through SMEs", in June, the coalition offered a series of recommendations for policy makers and SMPs to help SMEs flourish, from targeted tax breaks to cutting red tape and regulation.

### Investors Have Lost Trust in Company Reports, Reveals ACCA Study

Investors are less trustful of corporate reports since the global financial crisis with more than two-thirds saying they are more sceptical about the information companies provide, according to research from ACCA published in June.

Nearly two-thirds of the 300 investors surveyed in "Understanding Investors: directions for corporate reporting" have told ACCA that managers have too much discretion over the financial numbers they report and a sizeable majority of investors say they place more value on information generated from outside a company than on traditional corporate reports, such as the news and social media. Worryingly, 45% per cent identified the annual report as being of no use.

There was a clear dichotomy for policy-makers created by quarterly reporting. It was seen as useful by 75% of respondents in terms of their own investment decisions, yet 65% agreed that it created short-termism in the market as a whole and distracted management. Almost half wanted to see mandatory quarterly reporting scrapped.

The survey also revealed strong support for the role, of external assurance, which was seen as the main counterbalance to declining trust in company figures. Only in areas like profit warnings and emerging risks and opportunities did investors believe speed of information outweighed assurance. And 41% wanted to see auditing being extended to quarterly reports.

### Q2 2013 was a Decisive Turning Point for the Global Economy, According to Global Economic Conditions Survey from ACCA and IMA

Both business confidence and optimism about the global economy rose in Q2 2013, building on the significant gains seen in the first quarter, according to a report issued by ACCA and IMA in July.

Almost half of all respondents - 47% - felt that the state of the economy was improving or about to do so, up from 43% in Q1. This is the highest level of optimism in two years and is supported by a stream of improving economic data and positive news about the global and national economies.

Respondents to the Q2 survey reported improved access to growth capital reported in Q2 provides further evidence of economic progress. This was evident across regions and in most major ACCA and IMA markets, with the exception of mainland China and Ireland. While many influences have combined to produce this effect, ACCA and IMA singled out monetary stimulus in a number of major economies as the main cause.

### ACCA Report Shows that Public Sector Finance Chiefs are Rising to the Challenge of Austerity, but are Measures Delivering Long-Term Sustainability and Value for Money?

The public sector appears to be rising to the challenge of Government austerity measures, according to public authority finance experts, but many of the strategies being developed might not be sustainable or result in long-term value for money.

For several years now, public authorities such as health and local government have been grappling with the pressures of financial austerity which involve cuts in public spending at a time when demand for services is growing.

Furthermore, public authorities are likely to face a continuation of 'substantial real-term cuts' in funding for many years to come, according to the report by academics from Nottingham Business School on behalf of ACCA (the Association of Chartered Certified Accountants), the global body for professional accountants.

The study looked at a sample of public authorities with the aim of identifying good practice which could be promoted elsewhere.

The team comprised Professor Prowle, Dr Don Harradine, Roger Latham, Glynn Lowth, Peter Murphy and Kevin Orford, all public sector finance and management experts at Nottingham Business School.

### ACCA Global Forum Calls for IASB to Abandon Planned New Standard on Leasing

Proposals to change the way in which leased assets are accounted for, put forward by the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB), will make accounting more complex but with no real benefit, the Global Forum for Corporate Reporting has claimed.

The proposals put forward by the IASB and FASB regarding the Right of Use methodology say that all leased tangible assets should go on the balance sheet of the lessee company, at an amount representing the ability to use them during the lease term.

Responding to the exposure draft on the issue, ACCA continues to say that this model would make accounting more complex and time consuming, but to little or no benefit to anyone involved.

### ACCA Launches Survey on the Future of Auditor Reporting

Global attitudes to the future of auditor reporting are being sought by ACCA (the Association of Chartered Certified Accountants) with the launch of an online survey.

The global body for professional accountants is urging anyone with an interest in the future of auditor reporting to complete the survey.

The results will be used to help ACCA respond to a consultation by the IAASB (International Auditing and Assurance Standards Board), the global standard setter, which is looking to introduce new standards to enhance auditor reporting.

### Culture in Practice – Review of Corporate Culture

ACCA, in collaboration with ESRC and Paradigm Risk, a consulting firm, has begun a review of practical steps firms can take to enhance their cultures and improve their governance, management of risk and, ultimately, their performance.

The review, called Culture in Practice, will look at organisational culture and how that affects decision making and performance across all sectors and countries and will produce a report about findings in early 2014.

The review team will hold extensive interviews and roundtables internationally to debate the key issues they identify, before reporting in early 2014. At the roundtables, participants and sponsors will have an opportunity to voice their views, opinions and reservations about the issues outlined by the review team.

## BRUNEI

### Universiti Brunei Darussalam and ACCA Sign MOU



On 5th September 2013, University of Brunei Darussalam (UBD) and ACCA (the Association of Chartered Certified Accountants) signed a Memorandum of Understanding at the UBD campus.

Dr. Joyce Teo, Dean, Faculty of Business, Economics and Policy Studies and Dr. Petr Polak, Program Leader of Accounting and Finance represented UBD in signing the MoU. ACCA was represented by Ms. Lucia Real Martin, Director of Emerging Markets Asia and Mr. Reza Ali, Head of Emerging Markets Asia at ACCA.

### BICPA and ACCA host the Brunei Finance Leaders Forum

On 6 September 2013, BICPA and ACCA hosted the Brunei Finance Leaders Forum, which was attended by senior business and finance leaders in Brunei.

The Brunei Finance Leaders Forum provided insights into the transforming role of finance leaders and achieving sustained value creation. It took a strategic look at the evolving role of finance leaders and considered the implications on the skills sets that finance leaders needed to develop in order to provide value to the business.

The Brunei Finance Leaders Forum took place alongside the ASEAN Federation of Accountants council meetings taking place at the Rizqun International Hotel. BICPA and ACCA have signed a memorandum of understanding in 2008 to cooperate in the development of technical skills and competency of accountants and finance professionals in Brunei.

## CAMBODIA

### NAC, KICPAA, and ACCA Sign Memorandum of Understanding



NAC (the National Accounting Council), KICPAA and ACCA signed a Memorandum of Understanding (MoU) on 15 January 2014.

The MoU, signed in the spirit of mutual cooperation, is aimed at building stronger partnerships between the three bodies in advancing the finance, accountancy, and auditing professions in Cambodia, especially in relation to strengthening professional capacity and building the accountancy infrastructure to support Cambodia's economic development.

The signing took place at the Raffles Le Royal Hotel in Phnom Penh, Cambodia. The MoU was signed by H.E. Ngy Tayi, Chairman, National Accounting Council, Secretary of State, Ministry of Economy and Finance, and Royal Government Commissioner to KICPAA; Mr. Khoy Kimleng, President, KICPAA; and Ms. Helen Brand, Chief Executive, ACCA. Mr. Reza Ali, Head of Emerging Markets – Asia, ACCA and Mr. Senaka Fernando, Head of ACCA Cambodia were also present at the ceremony, which was attended by over fifty senior business leaders.

### ACCA and PRASAC Workshop Explored the Role of Small Business in Cambodia's Economy

The critical importance of small and medium sized enterprises (SMEs) to Cambodia's developing economy was explored in a high level workshop organised by ACCA (the Association of Chartered Certified Accountants) and PRASAC Microfinance Institution in Phnom Penh in November 2012.

More than 200 participants, including micro financiers, local and international companies, development agencies and ACCA members attended the workshop at the Phnom Penh Hotel.

Speakers from ACCA, PRASAC, leading micro financiers and successful companies looked at global trends in the SME sector; the benefits and burdens of Corporate Social Responsibility (CSR) for SMEs in Cambodia; finance solutions for SMEs; business support and how SMEs can become more competitive.

## INDONESIA

### ACCA Launches Presence in Indonesia



ACCA launched its new representative office in Jakarta on 30 May 2013. To mark the occasion, ACCA's President, Professor Barry Cooper was in Indonesia for a series of engagements, including a gala dinner to commemorate the official launch. ACCA Indonesia is headed up by Mr. Mulyadi Setiakusuma, who has had an extensive career in senior leadership positions in the banking and finance industry.

In his keynote address at the gala dinner for the grand launch of the office, Professor Cooper reiterated the necessity for capacity building in the finance function

in Indonesia. He also shared his views about the future of finance leadership, and highlighted the need for complete finance professionals who are forward-looking, business ready, and more thoroughly prepared to take on strategic leadership roles.

### IAI and ACCA Host CFO Summit in Jakarta

IAI and ACCA held the IAI-ACCA CFO Summit on the 26 of February 2013 with great success. The conference, hosted at the JW Marriott Jakarta was well-received by business and finance leaders in Indonesia. The conference focused on the theme, "The Evolving CFO and Drivers of Change: What this Means for the Indonesian Profession".

The conference featured in-depth discussions and provided new insights on transformation strategies, risk management and corporate governance, working capital and liquidity management, strategic innovation, and strategies to help professionals stay at the cutting edge.

### ACCA Participates in IAI's Regional Public Sector Conference

ACCA was a sponsor at Ikatan Akuntan Indonesia's Regional Public Sector Conference, held in Surabaya from 11 – 13 December 2013. The conference featured topics that addressed accommodating an increasing demand for public accountability for transparency, accountability, and performance. The conference was attended by senior public sector officials and business and finance leaders.

Mr. Reza Ali ACCA, Head of Emerging Markets – Asia, ACCA delivered a presentation on "The Role of Reporting and State Audit in Enhancing Accountability."

## MALAYSIA

### Malaysia CFOs Want New Recruits to be Complete Finance Professionals, Finds New Research from ACCA

The vast majority of Chief Financial Officers (CFOs) looking to appoint new staff for their businesses believe it is important for each potential employee to have both a breadth and depth of finance expertise and capabilities, a new report from ACCA (the Association of Chartered Certified Accountants) reveals.

Called "The Complete Finance Professional: Why breadth and depth of finance capability matter in today's finance function", the report gathers together existing evidence about the role of the 21st century accountant and also outlines why broad based finance qualifications remain valuable in economically turbulent times.

## MYANMAR

### ACCA and MICPA Sign Historic MOU

MICPA (the Myanmar Institute of Certified Public Accountants) and ACCA signed a memorandum of understanding (MOU) on 27 January 2013.

MICPA and ACCA seek to work together to achieve and promote the highest professional, ethical, and governance standards, advance public interest in the profession, and support it in Myanmar.

The MOU, signed in the spirit of mutual cooperation, is aimed at developing the accountancy profession in Myanmar and to collaborate towards building capacity within the finance profession in Myanmar to support the country's economic development.

### ACCA and MICPA Host Joint Conference to Build a Progressive and Sustainable Economy in Myanmar

MICPA hosted the Myanmar Finance Leaders Summit in Yangon on the 4 August 2013. Over 300 leaders in finance, accountancy, and capital markets attended the conference. It addressed how building a strong finance and accountancy framework can help a country gain greater access to finance and build a stronger economy. ACCA is the first international body to sign a Memorandum of Understanding with MICPA.

## PHILIPPINES

### ACCA Co-Presents at the 10<sup>th</sup> PICPA MMR International Conference

ACCA was the co-presenter for the 10<sup>th</sup> PICPA MMR international conference held on 26 – 29 May 2013 in Bali, Indonesia. The conference was organised by the Philippines Institute of Certified Public Accountants – Metro Manila Region. The theme of the conference was “Expanding Horizons: Developing Global Perspectives”.

The conference brought together international speakers who covered a variety of pertinent topics including, “Doing business in Indonesia”; “Ethical issues affecting the global accountancy practice”; “Forensic auditors and certified fraud examiners: today’s fraud busters”; “Global accountants in the 21<sup>st</sup> century”; “Risk management and compliance: global trends and perspectives”; “Global economic trends – impact on Asia Pacific”; and “The new environment for corporate governance”.

### ACCA Participates in the PICPA 68<sup>th</sup> Annual National Convention



ACCA was a major sponsor at the PICPA 68<sup>th</sup> Annual National Convention held in Manila in November 2013. The convention was attended by over 2,500 delegates including senior government officials, the Commissioner of Philippines Securities and Exchange Commission, and senior business and finance leaders. Mr. James Lee FCCA, Director of Finance at the Regent Singapore and ACCA Council Member, delivered a presentation on “The Global Accountants in the 21<sup>st</sup> Century”.

## SINGAPORE

### Business Leaders Agree that Organisations with Diverse Workforces and Boards are More Successful

“Diversity - A competitive advantage in uncertain times” was the theme at the ACCA (the Association of Chartered Certified Accountants) Singapore Annual Conference held on 22 May 2013, at the Marina Bay Sands Expo & Convention Centre.

The event was attended by 400 finance, accounting and business professionals, including CEOs and CFOs. In the morning strategic segment, delegates were treated to a stimulating high level discussion on how the development of diversity in the workplace and on the Board can generate a competitive advantage for businesses. In the afternoon technical discussion, panellists debated on the impacts of the proposed amendments to the Companies Act currently being drafted.

### ACCA and ICPAS, with SAC Working Towards Reciprocal Membership

ACCA, ICPAS and the Singapore Accountancy Commission (SAC) signed a Letter of Intent (LOI) to explore routes to reciprocal membership between the members of ACCA and ICPAS, a designated entity appointed under the Singapore Accountancy Commission Act to confer the new professional designation Chartered Accountant of Singapore, on behalf of SAC.

The letter is the first step towards potential reciprocity for members of ACCA and ICPAS. A reciprocity agreement would mean that members of one body would more easily be able to become members of the other, subject to members meeting the conditions of the agreement.

### ACCA Launches Joint Research with Singapore Regulator

ACCA and ACRA (the Accounting and Corporate Regulatory Authority) conducted a survey of preparers of financial statements in companies in Singapore to examine the challenge of upholding the quality of financial reporting. The joint research report titled "Strengthening Financial Reporting in Singapore" was launched at ACRA's annual flagship event – The Public Accountants Conference on 14 August 2013. Over 800 delegates convened at the conference to discuss key challenges affecting the delivery of high quality financial reporting to investors and the rest of the business community.

## THAILAND

### IFRS and Financial Reporting for Investors Conference Organised by SEC

The Securities and Exchange Commission (SEC) Thailand organised the IFRS and Financial Reporting for Investors conference on 8<sup>th</sup> March 2013 at the Sofitel Sukhumvit in Bangkok. The event featured an opening address by Dr. Vorapol Socratyanurak, Secretary General, Securities and Exchange Commission – Thailand, and a keynote address by Mr. Hans Hoogervost, Chairman of the International Accounting Standards Board (IASB).

Representatives from the Thai Accounting Standards Setting Committee, and the Federation of Accounting Professions presented on the IFRS adoption plan, and the TAS/ TFRS updates.

## VIETNAM

### Lighting Up Your Future Scholarship Award Ceremony

The 2<sup>nd</sup> Lighting Up Your Future scholarship award ceremony was organised on 7<sup>th</sup> January 2014 in Hanoi and 8<sup>th</sup> January 2014 in Ho Chi Minh City. The scholarship fund was founded by Deloitte Vietnam and ACCA in 2012. There were 42 awardees in 2012. In 2013, the fund has been expanded to provide scholarships to 60 students. The Lighting Up Your Future award provides not only financial support for students, but also soft skills training, English language training, and summer internships at Deloitte.

### Vietnam Sustainability Reporting Awards Launch

The Vietnam Sustainability Reporting Awards took place on 19 March 2013 in Ho Chi Minh City. The pioneering event in Vietnam was initiated by the IFC (the World Bank's private sector arm), ACCA, and Ho Chi Minh City Exchange. The Memorandum of Understanding (MoU), signed at the event between the three parties for the next five years, demonstrated a real commitment to promote this practice to businesses in Vietnam.

### Vietnam CFO Summit 2013: The Future CFO – The Complete Finance Professional

More than 180 top CFOs and finance executives across major industry sectors converged in Ho Chi Minh City on 26 April 2013 to exchange views, discuss key industry concerns and share best practices at the Vietnam CFO Summit 2013, themed "The Future CFO – The complete finance professional".

### Sustainability Reporting Award - Vietnam

ACCA Vietnam, in conjunction with IFC and Ho Chi Minh Stock Exchange (HOSE), launched the SRA in Vietnam in March 2013. The first Sustainability Reporting Awards ceremony was held on 25 July 2013. The Award is a major public interest initiative to support and promote best practices in environmental and sustainability reporting in the country. The Sustainability Award is part of the Annual Report Awards organised annually since 2008 by the State Securities Commission of Vietnam (SSC), Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange (HNX), and the Vietnam Investment Review (VIR) under the sponsor of Dragon Capital.



AFA ANNUAL REPORT 2013

# NEWS FROM AROUND THE REGION

The Institute of Chartered Accountants  
in England and Wales (ICAEW)

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South East Asia Regional Office  
9 Temasek Boulevard  
#09-01 Suntec Tower Two  
Singapore 038989  
[www.icaew.com](http://www.icaew.com)

**Total members: 142,000**



## The Institute of Chartered Accountants in England and Wales (ICAEW) Roundup of 2013

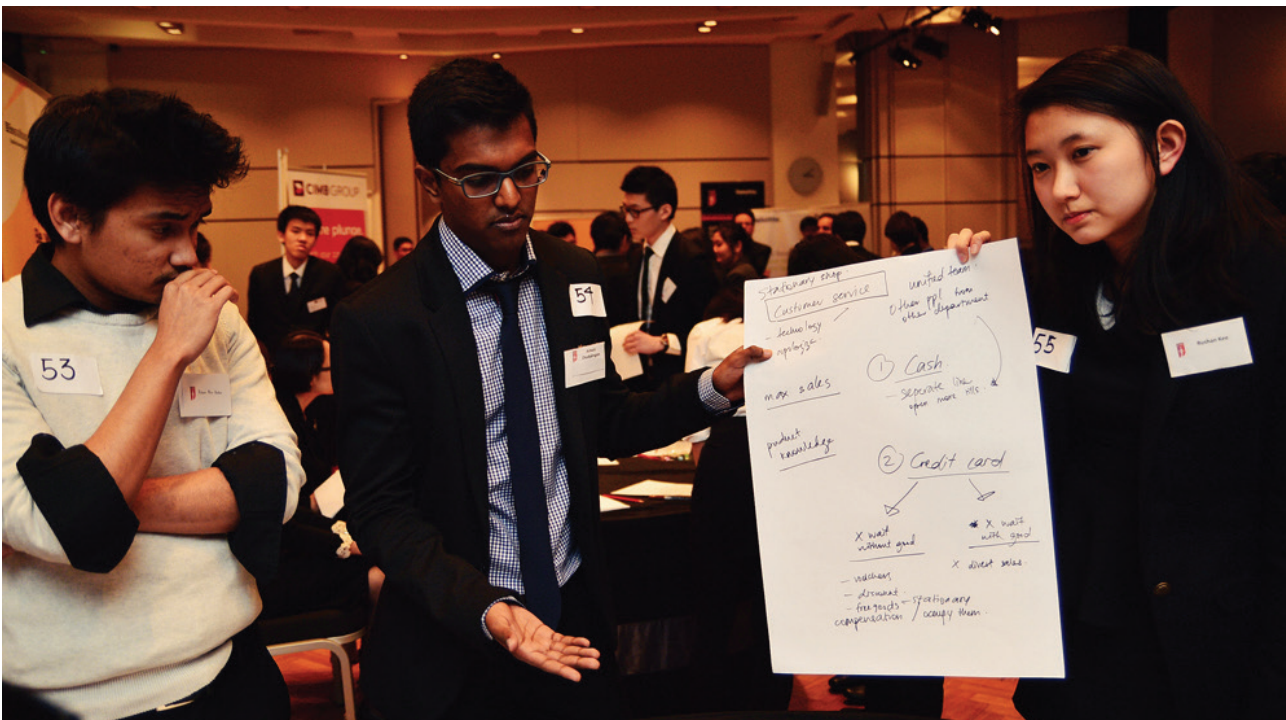


The ICAEW has continued with a wide range of activities, the following are some highlights for ASEAN and internationally that may be of interest to AFA members:

1. ICAEW and the Myanmar Institute of Certified Public Accountants (MICPA) have signed a Memorandum of Understanding to signal our closer relationship. The initiative aims to support the development of the profession in Myanmar through supporting the strengthening of MICPA.
2. The TEEB for Business Coalition has published a new study Natural Capital at Risk: The Top Externalities of Business which highlights the urgent need for businesses to manage natural capital assets and reduce liabilities.
3. ICAEW is the Anti-Money Laundering Supervisor to nearly 13,000 firms. The increasing complexity of money laundering regulation has led ICAEW to launch a new Anti-Money Laundering Service to take the risk and pain out of compliance. We have made our materials available to the new Philippines Anti-Money Laundering Council.
4. ICAEW became a founding member of Chartered Accountants Worldwide (CAW). Six of the world's chartered institutes have launched a new initiative to support, develop and promote the role that Chartered Accountants play throughout the global economy. The first CAW event was hosted by ICAEW and NZICA which took place in Singapore in November 2013 and also played host to the office holders of SAC and ISCA.
5. ICAEW and the Pro-Tem Singapore Accountancy Council (SAC) have signed a Memorandum of Understanding. The initiative aims to strengthen the accountancy talent pool in Singapore and to set in motion the path to full member reciprocity between ICAEW and Chartered Accountants of Singapore.
6. ICAEW and TalentCorp Malaysia, amongst others, have signed a Memorandum of Understanding to create a regional centre of excellence for training in Malaysia. The Centre of Excellence will attract ASEAN nationals to study for the ICAEW ACA programme in Malaysia.



7. ICAEW launched Economic Insight: South East Asia produced by The Centre for Economics and Business Research.
8. ICAEW host an annual UKEC/Graduan Careers Fair for Malaysian undergraduates studying in UK, which takes place in London. Over 150 students, Malaysian ATEs and TalentCorp attend the Malaysia Day at Chartered Accountants' Hall.



9. ICAEW signed an MOU with Sunway and IIUM (International Islamic University) on 13 May 2013. Students will now be able to take two ICAEW professional modules during their internship in their third year of undergraduate studies.

ICAEW is committed to supporting and working more closely with our fellow professional accountancy bodies in the region. Among others are:

1. Offices and member groups in Singapore and Kuala Lumpur
2. Contact members in Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
3. 2,200 members in the ASEAN region as at 31 December 2013.
4. MoUs with Ikatan Akuntan Indonesia, Philippine Institute of CPAs, Singapore Accountancy Commission, Vietnam Association of CPAs, Myanmar Institute of CPA, Institute of Singapore Chartered Accountants, Malaysian Institute of Accountants.
5. Existing partnerships with Sunway-TES, Taylors University and Nottingham University.
6. Member of Confederation of Asian and Pacific Accountants.
7. Publish and promote our quarterly Economic Insight: South East Asia for the business and finance profession which focuses on the economic outlook for Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Provides a limited focus on Greater China and Myanmar.
8. Launched Singapore Foundation Programme in conjunction with the SQP.
9. In the past year, we have hosted thought leadership roadshows in Malaysia, Singapore, Indonesia, Myanmar and Vietnam on topics such as sustainability and corporate governance.
10. Launched the F-TEN APAC programme in Singapore and Malaysia. Focused on development of senior finance professionals.
11. Launched a series of free thought leadership webinars focused on audit exemption, sustainability, the role of the Accountant and lastly, Global IT trends.
12. Participated in regional career fairs across the UK, Malaysia and Australia.
13. Launched the ATP (Authorise Training Principal) scheme in Singapore.
14. Martyn Jones, ICAEW President, invited to speak in plenary during the MIA Conference.
15. Appointed co-opt council member for South East Asia from Malaysia.

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL**

**YEAR ENDED**

**31 DECEMBER 2013**



# AFA 2013 Annual Report

AFA 2013 Annual Report can be downloaded from:

 [www.aseanaccountants.org](http://www.aseanaccountants.org)

ASEAN FEDERATION OF ACCOUNTANTS

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**31 DECEMBER 2013**

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**BAKER TILLY**  
**TFW**

Baker Tilly TFW LLP  
Chartered Accountants of Singapore

An independent member of Baker Tilly International

## FEDERATION PROFILE

### Primary Members

Brunei	Brunei Darussalam Institute of Certified Public Accountants (BICPA)
Cambodia	Kampuchea Institute of CPAs and Auditors (KICPAA)
Indonesia	Ikatan Akuntan Indonesia (IAI)
Laos	Lao Institute of Certified Public Accountants (LICPA)
Malaysia	Malaysian Institute of Accountants (MIA)
Myanmar	Myanmar Accountancy Council (MAC) Union of Myanmar
Philippines	Philippines Institute of Certified Public Accountants (PICPA)
Singapore	Institute of Singapore Chartered Accountants (ISCA)
Thailand	Federation of Accounting Professions (FAP)
Vietnam	Vietnamese Association of Accountants and Auditors (VAA)

### Associate Members

Australia	CPA Australia
Australia	The Institute of Chartered Accountants in Australia (ICAA)
United Kingdom	The Association of Chartered Certified Accountants (ACCA)
United Kingdom	The Institute of Chartered Accountants in England and Wales (ICAEW)

### Office bearers for the year ended 31 December 2013

AFA President	Mr Kuy Lim (KICPAA)
AFA Deputy President	Ms Estelita Aguirre (PICPA)
AFA Secretary-General	Mr Chung Chetta (KICPAA)
AFA Treasurer	Mr Khoo Ho Tong (ISCA)

### Office of the Federation

Ikatan Akuntan Indonesia  
Grha Akuntan  
Jl Sindanglaya No. 1 - Menteng  
Jakarta 10310  
Indonesia

### Independent auditor

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT BY COUNCIL**

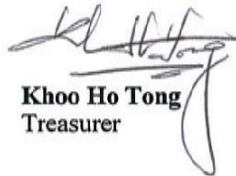
In the opinion of the Council:

- (i) the financial statements set out on pages 4 to 11 are properly drawn up so as to present fairly, in all material respects, the state of affairs of Asean Federation of Accountants (the "Federation") at 31 December 2013 and of the results, changes in accumulated fund and cash flows of the Federation for the financial year then ended in accordance with Singapore Financial Reporting Standards; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they fall due.

On behalf of the Council



**Kuy Lim**  
President  
(2012 - 2013)



**Khoo Ho Tong**  
Treasurer

25 January 2014





## BAKER TILLY TFW

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### **INDEPENDENT AUDITOR'S REPORT TO THE PRIMARY MEMBERS OF ASEAN FEDERATION OF ACCOUNTANTS**

#### **Reports on the Financial Statements**

We have audited the accompanying financial statements of Asean Federation Of Accountants (the "Federation") set out on pages 4 to 11, which comprise the balance sheet as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Council's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements of the Federation are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Federation as at 31 December 2013 and the results, changes in accumulated fund and cash flows of the Federation for the financial year ended on that date.

**Baker Tilly TFW LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

25 January 2014

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ASEAN FEDERATION OF ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the financial year ended 31 December 2013

	2013 \$	2012 \$
<b>Income</b>		
Membership fees	26,750	24,750
Interest income	3,707	1,004
	<hr/>	<hr/>
	30,457	25,754
<b>Less: Expenditure</b>		
Auditor's remuneration	1,750	1,500
Bank charges	310	390
Courier charges	—	281
Foreign currency exchange (gain)/loss	(191)	408
Meeting expenses	13,055	6,756
Printing & stationery	—	60
Publications	1,195	2,438
Sundry expenses	383	875
Travelling expenses	8,457	6,102
	<hr/>	<hr/>
	24,959	18,810
<b>Net surplus and total comprehensive income for the year</b>	<hr/>	<hr/>
	5,498	6,944

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

**ASEAN FEDERATION OF ACCOUNTANTS**

**BALANCE SHEET**  
**At 31 December 2013**

	Note	2013 \$	2012 \$
<b>Current asset</b>			
Interest receivables		3,499	492
Cash and cash equivalents	3	482,557	478,561
		<hr/>	<hr/>
		486,056	479,053
<b>Current liabilities</b>			
Other payables and accruals		12,658	11,153
		<hr/>	<hr/>
<b>Net assets</b>		473,398	467,900
		<hr/>	<hr/>
<b>Accumulated Fund</b>		473,398	467,900
		<hr/>	<hr/>

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

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF CHANGES IN ACCUMULATED FUND  
For the financial year ended 31 December 2013**

	\$
Balance at 1 January 2012	460,956
Net surplus and total comprehensive income for the year	6,944
Balance at 31 December 2012	<u>467,900</u>
Net surplus and total comprehensive income for the year	5,498
<b>Balance at 31 December 2013</b>	<b><u>473,398</u></b>

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

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2013**

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Net surplus for the year		5,498	6,944
Adjustment for:			
Interest income		(3,707)	(1,004)
Operating surplus before movements in working capital		1,791	5,940
Trade and other receivables		–	5,297
Other payables and accruals		1,505	6,308
Cash from operations		3,296	17,545
Interest received		700	778
<b>Net cash from operating activities</b>		<b>3,996</b>	<b>18,323</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,996</b>	<b>18,323</b>
Cash and cash equivalents at beginning of year		478,561	460,238
<b>Cash and cash equivalents at end of year</b>	3	<b>482,557</b>	<b>478,561</b>

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

## ASEAN FEDERATION OF ACCOUNTANTS

### NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1 Corporate information

The office of the Federation is at Jalan Sindanglaya No. 1, Menteng, Jakarta 10310, Indonesia.

The principal activity of the Federation is the advancement of the accounting profession in the ASEAN region.

#### 2 Significant accounting policies

##### (a) Basis of preparation

The financial statements, expressed in Singapore dollars (“\$”) which is the Federation’s functional currency, have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Federation’s accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no significant judgement and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and provisions approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Federation has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2013 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Federation.

##### (b) Financial assets

The Federation’s only financial assets are “loans and receivables” which comprise interest receivables and cash and cash equivalents.

## 2 Significant accounting policies (cont'd)

### (b) Financial assets

#### *Loans and receivables*

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. The Federation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in income or expenditure. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited as income.

### (c) Financial liabilities

Financial liabilities, which comprise other payables and accruals are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

### (d) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements of are measured using the currency that best reflects the economic environment substance of the underlying events and circumstances ('the functional currency').

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in income or expenditure.

### (e) Income taxes

The Federation's income from its principal activities is exempt from income tax under Section 11(2) of the Income Tax Act because the Federation is deemed not to be a carrying on a business in Singapore.

### (f) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Federation and the amount can be reliably measured.

Members' annual and admission fees are recognised when due.

Interest income is recognised as the interest accrues based on effective interest method.

### (g) Provisions

Provisions are recognised when the Federation has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Federation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**3 Cash and cash equivalents**

	2013 \$	2012 \$
Fixed deposits	420,700	420,000
Bank balances	61,857	58,561
	<u>482,557</u>	<u>478,561</u>

Cash and cash equivalents are denominated in the following currencies:

Singapore dollars	477,211	473,376
United States dollars	5,346	5,185
	<u>482,557</u>	<u>478,561</u>

Fixed deposits bear interest rates ranging from 0.45% to 0.95% (2012: 0.15% to 0.95%) per annum and mature within 5 months (2012: between 11 and 17 months) from the balance sheet date.

**4 Financial instruments****a) Categories of financial instruments**

	2013 \$	2012 \$
<i>Financial assets</i>		
Loans and receivables	486,056	479,053
<i>Financial liabilities</i>		
At amortised cost	12,658	11,153

**b) Financial risk management**

The main risks arising from the Federation's financial management are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Federation reviews and agrees policies for managing each of these risks and they are summarised below:

*Credit risk*

The Federation's exposure to credit risk arises from the failure of a counterparty to settle its financial and contractual obligations to the Federation, as and when they fall due. The Federation manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

The Federation places its cash and fixed deposits with banks and financial institutions which are regulated.

At balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.



#### **4 Financial instruments (cont'd)**

##### **b) Financial risk management (cont'd)**

###### *Foreign exchange risk*

The Federation has no significant exposure to foreign exchange risk as its financial assets and financial liabilities are mainly denominated in Singapore dollars. The Federation does not use financial instruments to hedge its foreign exchange risk. The Federation, however, monitors its exposure to foreign exchange risk closely to assess the necessity to hedge the risk.

###### *Interest rate risk*

The Federation is exposed to interest rate risk through the impact of rate changes on its interest-bearing fixed deposits. The Federation's policy is to review the terms of these deposits to take advantage of the best market rates in order to optimise the income received from these deposits. The sensitivity analysis for changes in interest rate is not disclosed as the effect in income and expenditure is considered not significant.

###### *Liquidity risk*

In the management of liquidity risk, the Federation monitors and maintains a level of cash and bank balances deemed adequate by the Council to finance the Federation's operations and mitigate the effects of fluctuations in cash flows.

##### **c) Fair values**

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Federation approximate their fair values.

#### **5 Fund management**

The Federation's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The Council considers the accumulated fund as the capital of the Federation and no changes were made to the Federation's fund management objectives during the financial years ended 31 December 2013 and 31 December 2012.

#### **6 Authorisation of financial statements**

The financial statements of the Federation for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Council dated 25 January 2014.