



Annual Report

2014

**ASEAN**

FEDERATION OF ACCOUNTANTS



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For the years 2013-2014, I am honoured to lead the ASEAN Federation of Accountants (AFA) as its 19<sup>th</sup> President. AFA is pleased to report its accomplishment for the first year of my term.

The ushering of the ASEAN Integration and the establishment of the ASEAN Economic Community (AEC) by 31 December 2015 brings to the fore the significant role of AFA in meeting the challenges related to the eventual free-flow of goods and services, including accountancy services within the ASEAN countries. The Strategic Schedule for AEC under the AEC Blueprint includes the full implementation of the completed Mutual Recognition Arrangement (MRA) by 2015. A milestone in accountancy was the signing of the implementing MRA in August 2014. Indeed, the signed MRA signals to us the need to fast-track our projects in enhancing the capabilities of our ASEAN Member-Bodies in preparing ASEAN accountants to become regionally and globally competitive.

Your AFA officers and Task Force Heads and members zealously conducted three workshops in 2014 to prepare detailed plans and activities in support of three projects to make AFA a strong regional organisation with the end in view of achieving its mission of “developing and promoting the accountancy profession in the region in support of the socio-economic enhancement of the AFA member countries”. In this regard, AFA is lucky to have the strong assistance of the World Bank in its projects.

Further, the active support of the four Associate Members, namely: Association of Chartered Certified Accountants (ACCA), Certified Practising Accountants (CPA) Australia, Institute of Chartered Accountants of England and Wales (ICAEW) and Chartered Accountants Australia and New Zealand (CAANZ) to the ten Primary Members, particularly in the area of Continuing Professional Development is recognised and very much appreciated.

Before I end my message, I would like to thank past AFA President, Mr. Kuy Lim of KICPAA, for his effective leadership for 2012-2013, during which as Deputy President, I learned the ropes on how to run the organisation.

Finally, I would like to express my gratitude to all by saying “Salamat po” and “Mabuhay”!

**Estelita C. Aguirre**  
President  
2013-2014



The AFA Annual Report 2014 means a lot to me, and to the ASEAN Federation Accountants (AFA) as a whole for what we have done and achieved this year.

Looking back on the highlights of 2014 and with this context in mind, AFA continues to focus on the following tasks:

- Closing the gaps between member bodies and to support member bodies to become a member of IFAC.
- Articulating value propositions to AFA member bodies and stakeholders (through branding and thought leadership).
- Obtaining formal recognition as an IFAC Acknowledged Accountancy Grouping.
- Proposing roadmap and key milestones for the AFA Accounting Standards Grouping, and
- Developing high quality accounting and auditing profession in the ASEAN countries.

On the first year serving as AFA Deputy President, I have attended three AFA Council meetings. All AFA members had the opportunity to join the meetings and discussed in accordance with the agenda and with the theme of ASEAN Economy 2015. With this current development, AFA and the ten Primary Members have received a lot of support and assistance from the four Associate Members, and also from the World Bank. One important step made in 2014 was the AFA and World Bank cooperation in initiating a capacity building project with the objective of closing the development gaps among AFA member bodies.

As always, looking forward, there are more that needs to be done. Accounting profession beyond borders can play its role towards the success of AEC 2015. The benefits offered from increased harmonisation will help to close the development gap among member bodies.

Finally, I would like to thank AFA President, Estelita C. Aguirre, for her tremendous support and leadership. I also thank all Primary Members, Associate Members, and the AFA Secretariat for their commitment to the AFA work during 2014.

Thank you

**Sonexay Silaphet**  
Deputy President  
2013-2014



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 members. These were the national accountancy bodies of Indonesia, Malaysia, Philippines, Singapore and Thailand. Currently, AFA membership comprises of all ten ASEAN member countries.

There are two types of AFA Membership, 1) Primary Members: AFA Primary Members are national accountancy body created under specific statute or regulation of that particular country, or in the absence of it, the recognised national professional accountancy organisation in the said country, 2) Associate Members: Associate Members are the internationally recognised professional accountancy organisation of any ASEAN countries or other countries which are 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.

## AFA Officers

**President** : Estelita C. Aguirre (PICPA)  
**Deputy President** : Sonexay Silaphet (LICPA)  
**Treasurer** : Frankie Chia (ISCA)  
**Secretary General** : Josefe Sorerra-Ty (PICPA)

## AFA Secretariat

### C/O INSTITUTE OF INDONESIA CHARTERED ACCOUNTANTS (IAI)

**Head** : Aucky Pratama (IAI)  
**Staff** : Monika Nabillya (IAI)



## AFA Associate Members

### ACCA

Lucia Real Martin (Chief Representative)  
Reza Ali

### CAANZ (formerly ICAA)

Andrew Stringer (Chief Representative)

### CPA Australia

James Dickson (Chief Representative)  
Jeff Hughes

### ICAEW

Mark Billington (Chief Representative)  
Mark Campbell

## AFA Primary Members

### BICPA

Pengiran Haji Moxin (President)  
Lee Kin Chee  
Lim Hoon Hui  
Lucy Wong Kie Nyuk

### KICPAA

Khoy Kimleng (President)  
Heng Seida  
Chung Chetta

### IAI

Prof. Sidharta Utama (Chief Representative)  
Jusuf Halim  
Dwi Setiawan  
Elly Zarni Husin

### LICPA

Phirany Phissamay (Chief Representative)  
Nanthalath Thirakul

### MIA

Johan Idris (President)  
Ho Foong Moi

### MAC

U Kyaw Tin (Chief Representative)  
Daw Naing Thet Oo  
U Maw Than  
U Win Thin  
Daw Khin San Oo

### PICPA

Tita Caluya (President)  
Violeta J. Jose

### ISCA

Gerard Ee (President)

### FAP

Prasan Chuaphanich (President)  
Vilai Chattanrassamee

### VAA

Dr. Dang Van Thanh (President)

## AFA OFFICERS 2013-2014



**Estelita C. Aguirre**  
President

Estelita C. Aguirre is the first Female President in AFA history. She is one of the very few Certified Public Accountants in the Philippines who practiced accountancy in the four sectors of the accounting profession: (1) in government; she served the Philippine Government as Deputy Commissioner of Internal Revenue from 1995 to 2004 and as a member of the Professional Regulatory Board of Accountancy from 2002-2004; (2) in education; she was the Dean of Far Eastern University Institute of Business and Finance from 2007 to 2009; (3) in profession, she served as PICPA Executive Director from 2011 to 2013; (4) and in public practice, she is the President of Asian Institute of Taxation and E-Files Software Support, Inc.

Estelita is a holder of Bachelor of Science in Business Administration and Master in Management from the University of the Philippines. During her term as Executive Director, PICPA won the Most Outstanding Accredited Professional Organisation Category A for two consecutive years, 2012 and 2013.



**Sonexay Silaphet**  
Deputy President

Sonexay Silaphet is the incoming President of AFA for the period of 2016-2017. He became the member of Lao Institute of Chartered Public Accountants (LICPA) since 2000. He actively participates in the audit and advisory market in Lao PDR and has invaluable experiences in auditing, accounting, taxation and advisory.

Sonexay has 16 years of experience working as an auditor at the Big Four. He was working 9 years for PricewaterhouseCoopers (Lao) Limited, and 7 years at Ernst & Young Lao Limited. He holds a Bachelor of Business Administration from Comcenter College (2000) and is currently studying for professional certification with Association of Chartered Certified Accountants – UK.



**Aucky Pratama**  
Head of Secretariat

A full-time Technical Director at the Institute of Indonesia Chartered Accountants, Aucky has been actively supporting AFA as the Head of the AFA Secretariat since 2011. His five year experience with the Institute included the implementation of IFRS in Indonesia, publication of the Indonesian Financial Accounting Standards, and active participation in a number of cross-organisations and cross-borders working groups. He is also active as a public speaker in various IFRS and accountancy profession issues.

A member of CPA Australia, Aucky graduated from the University of Melbourne with a Master of Applied Commerce (Accounting) degree, having previously finished his study at the Bina Nusantara University and Curtin University of Technology to obtain his Bachelor of Commerce (Applied Accounting Technology) degree.

Frankie Chia is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and has been an ISCA Council Member and Chairman of ISCA's Public Accounting Practice Committee since 2012.

On the corporate front, he is responsible for the overall operation of BDO LLP in Singapore. He possesses over 30 years of experience in the accounting and consulting industry, managing clients ranging from small and medium-sized businesses to listed companies and MNCs. His expertise lies in the practice of audit, tax and business advisory. He is an Accredited Tax Advisor (Income Tax & GST) with the Singapore Institute of Accredited Tax Professionals and is a Board member of the Building and Construction Authority, Singapore.



**Frankie Chia**  
Treasurer

A practicing lawyer and CPA in Philippines, Josefe has been active in AFA since she served as the National President of PICPA for period 2012-2013.

Josefe graduated from the University of the Philippines as B.S Business Administration and Accountancy in 1990, she also obtain her Bachelor of Laws in 1996 from the same university. Expertise in both Law and Accounting, she is now running her own Accounting Service firm and Law Offices at the same time. Josefe also interested in education sector, she served as a dean of College of Law in Father Saturnino Urios University since 2003 up to present.



**Josefe Sorerra-Ty**  
Secretary General

As the youngest addition to the AFA Secretariat, Monika is currently working as a Technical Staff at the Institute of Indonesia Chartered Accountants. She served as the AFA Secretariat Staff since 2013. She has been involved in the IFRS convergence process in Indonesia and actively writing articles on various accounting issues.

Monika obtain her Bachelor of Science in Accounting from President University with Full Scholarship from Jababeka Education Program.



**Monika Nabillya**  
Secretariat



## AFA PAST PRESIDENTS



Mr. Eugenio R. Reyes  
1978 - 1979  
Philippines



Mr. Leslie Wong Kok Chin  
1980 - 1981  
Singapore



Mr. Tawee Noonpukdee  
1982 - 1983  
Thailand



Dr. Bernardi  
1984 - 1985  
Indonesia



Mr. Abu Hassan Kendut  
1986 - 1987  
Malaysia



Dr. Mariano M. Lerin  
1988 - 1989  
Philippines



Mr. Lo Hock Ling  
1990 - 1991  
Singapore



Prof. Thavach Phusitphoykai  
1992 - 1993  
Thailand



Dr. Djoko Susanto  
1994 - 1995  
Indonesia



Mr. Yue Sau Him  
1996 - 1997  
Malaysia



Atty. Antonio P. Acyatan  
1998 - 1999  
Philippines



Mr. Tan Boen Eng  
2000 - 2001  
Singapore



Mr. Paitoon Taveebhol  
2002 - 2003  
Thailand



Dr. Dang Van Thanh  
2004 - 2005  
Vietnam



Mr. Ahmadi Hadibroto  
2006 - 2007  
Indonesia



Mr. Pengiran Haji Moxsin  
2008 - 2009  
Brunei



Mr. Abdul Rahim Abdul Hamid  
2010 - 2011  
Malaysia



Mr. Kuy Lim  
2012 - 2013  
Cambodia

# ***REPORT of the Council***



## AFA COUNCIL MEETINGS IN 2014

2014 was a productive year for the ASEAN Federation of Accountants (AFA). Throughout 2014 AFA Council met for three times, discussing issues that are significant particularly in the context of welcoming the ASEAN Economic Community 2015.

The AFA Council Meetings were held as follows:

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

Marriott Hotel, Cebu City, Philippines (25 January 2014)



The 114<sup>th</sup> AFA Council Meeting held in Cebu was the beginning of a new chapter for AFA, as the new batch of officers were inducted prior to the hosting of the Council Meeting. Led by the newly inducted President, Madame Estelita C. Aguirre of PICPA, the newly inducted Deputy President, Mr. Sonexay Silaphet (LICPA) and Secretary General, Mr. Gerard B. Sanvictores (PICPA) took the oath to lead AFA for the two-year period.

PICPA together with AFA co-hosted the 2014 AFA-PICPA Accountancy and Tax Conference back-to-back with the Council Meeting, taking the theme of *ASEAN Integration 2015: Rising to the Challenge*. A number of regional speakers participated in this event, sharing their knowledge

and expertise to more than 300 Philippines accountants who have descended into Cebu from all parts of the country.

Participations of speakers from AFA member countries were one of the true reflections of the cooperation between AFA members, particularly in developing and further improving the quality and knowledge of accountants in the region.

As reflected in the AFA Operational Plan & Budget for 2014, organisation improvement was one of the priorities for AFA, in strengthening the Federation to better deliver the membership values to the fourteen AFA members. Re-identification of AFA priorities was most certainly the theme for the year.

As initiated in Cebu, through the AFA Strategic Planning session AFA has initiated the first step in rebuilding and re-discovering the organisation priorities for the years coming. Facilitated by ACCA, the session highlighted a number of opportunities and challenges that need to be considered in assessing AFA's strategic positioning for the future. This session proven to be an important milestone for AFA in establishing the foundation of the Federation's priorities for the years to come.

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

#### The Royal Ambarrukmo Hotel, Yogyakarta, Indonesia (11 June 2014)

Yogyakarta witnessed the rebirth of the AFA spirit in moving forward with the Federation's endeavours to improve both the organisation and member bodies' capacity and capability. The 115<sup>th</sup> AFA Council Meeting was held back-to-back with the AFA-IAI Conference and the IAI Seminar on *Financial Accounting and Public Sector Accounting*. More than 500 participants attended the three day events taking place in the Royal Ambarrukmo Hotel.

The 115<sup>th</sup> AFA Council Meeting was a historical one for particularly AFA long standing Treasurer, Mr. Khoo Ho Tong of ISCA. Mr. Khoo has been active with AFA since the organisation's inception and now succeeded by Mr. Frankie Chia (ISCA). Mr. Chia, an accountant in practice, has taken the mantle as the guardian of AFA's financial stability.

The departure of Mr. Khoo was witnessed by a number of AFA past officers, who were specially invited to join the Meeting. Past AFA President, Dr. Djoko Susanto (1994-1995) and Mr. Ahmadi Hadibroto (2006-2007) were joined by past AFA Deputy President, Mr. Nik Mohd Hasyudeen Yusoff (2008-2009), who together bring with them a cumulative experience and knowledge that are an important sources of information for the current Council members of AFA.





The Council also witnessed the change in AFA Secretary General position. Due to his appointment as a member of the Professional Regulatory Board of Accountancy in the Philippines, Mr. Gerard B. Sanvictores (PICPA) has resigned from his position. The President has appointed Ms. Josefe Sorretera-Ty (PICPA) to continue the role under PICPA's presidential term.

In further increasing its continuous support as AFA permanent Secretariat, the Institute of Indonesia Chartered Accountants (previously The Indonesian Institute of Accountants) has presented Ms. Monika Nabillya as the latest addition to the Secretariat. Ms. Nabillya will be working together with Mr. Aucky Pratama in supporting the Federation's programs.



AFA as a regional organisation acknowledged the importance of being recognised globally. One of the recognition measures is to be recognised by IFAC as the global accountancy organisation, specifically, to be recognised as an IFAC Acknowledged Accountancy Grouping (AAG). The pursuit of this recognition is part of the development of AFA as an international organisation.

Acknowledgment also comes from the World Bank, who in this opportunity, represented by Mr. Christopher Fabling, presented the draft of the World Bank survey of the accountancy and auditing profession in the ASEAN region. The drafted report highlighted a number of variances between the countries and presented some recommendations that could be considered by AFA in focussing for the development of the profession in the region.

Another highlight of the 115<sup>th</sup> Council Meeting was the participation of Mr. Brian Blood of CAPA, invited to present the CAPA Maturity Model for the Development of the Professional Accountancy Organisation. This was truly a monumental moment for both AFA and CAPA, in taking the organisations' communication and cooperation to a higher level.

Key points taken from the Yogyakarta meeting was the identification of AFA priorities for the coming years. The Council had identified a number of programs that will be considered as AFA's measurable objectives under the current and next presidential term. Of all the priorities, the Council had agreed to focus on three priorities, as follows:

1. To close the gaps between member bodies, and to support member bodies to be a member of IFAC.
2. To articulate AFA value propositions both internally (to AFA member bodies) and externally (to AFA stakeholders), through branding and through leadership.
3. For AFA to be recognised as an IFAC Acknowledged Accountancy Grouping (AAG).

Three dedicated AFA Task Forces had been established, to each lead the Council in focussing on the three identified priorities.

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

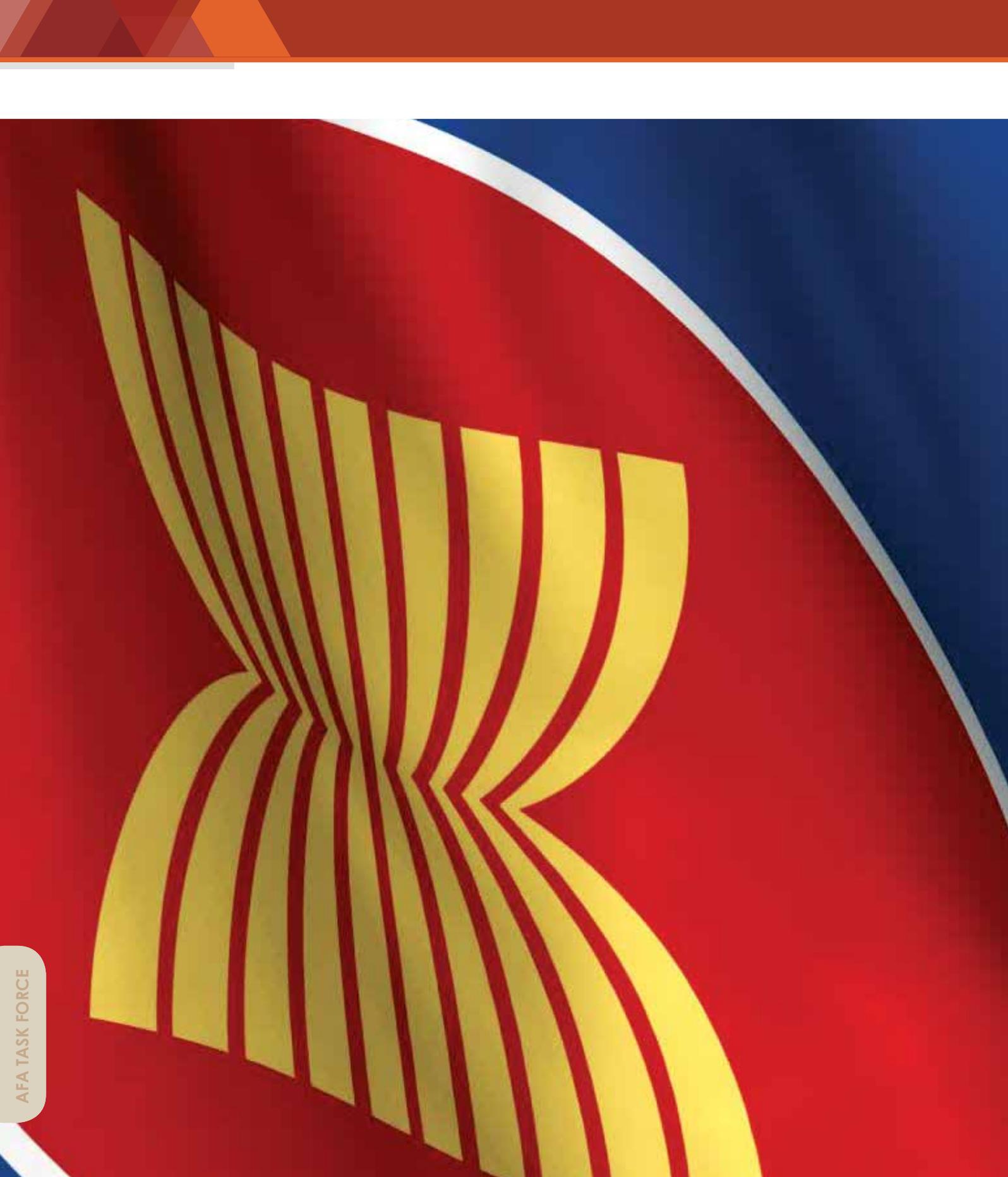
### Lao Plaza Hotel, Vientiane, Lao PDR (26 October 2014)

The 116<sup>th</sup> AFA Council Meeting was held in conjunction with the AFA-LICPA-ACCA Conference on *Strengthening the Accountancy Profession with Global and Regional Integration*. Continuing the trend for supporting member bodies, speakers from neighbouring AFA members participated in the event that was opened by the Lao PDR Minister of Finance.

Council members were presented with the final World Bank report (World Bank Report: *The Current Status of the Accounting and Auditing Profession in ASEAN Countries*, **available for download on AFA website**) by Mr. Frederick Yankey. The overall key objective of the report is to promote the sustainable capacity development of the accounting and auditing profession across the ASEAN member countries. This is a true representation of the AFA and World Bank collaboration in developing the ASEAN accountancy profession. The World Bank support to AFA is truly a key component for the Federation in executing its programs, particularly in focussing on the identified organisation priorities.

The Council continued with the discussion on the three identified priorities, as reported by each AFA Task Force that has been established in the previous meeting. AFA acknowledged the importance of focussing on these priorities to realise the Federation's true potential in driving the ASEAN accountancy profession forward. A number of initiatives and programs to realise the three priorities were identified and will be further followed-up and executed in 2015.





The ASEAN Federation of Accountants (AFA), in its desire to achieve its mission of developing and promoting the accountancy profession in the region and reaching its vision of being recognised as the body that represents the accountancy profession in the ASEAN Region conducted a strategic planning session in Cebu City, Philippines on 25 January 2014 during the 114<sup>th</sup> AFA Council Meeting. Three Task Forces were formed to focus on the three AFA priorities which were adopted in the 115<sup>th</sup> AFA Council Meeting in Yogyakarta, Indonesia, as follows:

Priority No.1 : To close the gaps between member bodies and to support member bodies to become members of IFAC.

Priority No.2: To articulate value proposition to AFA member bodies and stakeholders (through brand and thought leadership).

Priority No.3: For AFA to be recognized as IFAC Acknowledged Accountancy Grouping (AAG).

The AFA endeavours are well-timed, considering that groundwork is being laid down for the establishment of the ASEAN Economic Community by end of 2015, when there will be free flow of goods and services, including accountancy services. All three (3) projects of AFA aims to build the capabilities of member-bodies of the Federation which ultimately, will redound to the continuing professional development of the accountant-members in making them regionally competitive.

Based on the findings of the World Bank in its "Current Status of the Accounting and Auditing Profession in ASEAN Countries" Report of September 2014, the numerous key areas of difference and factors that are constraining the closing of the "development gap" have to be prioritised and addressed. The report also disclosed that AFA has very "well developed" member-bodies as well as "lesser developed" ones. Under the present situation, with the assistance of the World Bank, AFA could lead in regional capacity building activities through mentoring arrangements for member-bodies that are in the early stage of development. This is Priority No. 1.

On Priority No. 2, the Task Force has identified and agreed on the following value propositions: (1) To provide advocacy to member-bodies in regional/global issues and support in communicating with respective national stakeholders; (2) To lead, promote and facilitate bilateral/multilateral cooperation/agreement among member-bodies, including associate members; (3) To promote and facilitate member-bodies' capacity development ; (4) To communicate to relevant stakeholders the need to focus on SMEs and to drive thought leadership focusing on SMEs; and (5) To provide access to cooperate with international and regional organisations, to support all the above value propositions.

Task Force 3 on the other hand, has started work on the mapping of the AFA Vision, Mission and Objectives with that of IFAC, in preparation for the application to become an IFAC AAG. However, considering that IFAC is currently conducting a strategic review of its operations which include the relationships with AAGs, the action on the proposal is held in abeyance.

AFA as the key regional accounting organisation is expected to be at the forefront in the implementation of the Mutual Recognition Arrangement on Accountancy Services, in support of the ASEAN Economic Community. In this regard, capacity building of AFA itself and that of its "less developed" member-bodies is critical and should be first priority.

**Estelita C. Aguirre**  
President  
2013-2014



## THE AFA PRIORITIES AND TASK FORCES

## AFA Task Force 1

### CLOSING THE GAP AND SUPPORT TO MEMBER BODIES TO BECOME MEMBERS OF IFAC

Lead: Atty Josefe Sorrera-Ty (PICPA)	Members : ISCA LICPA MAC CPA Australia ICAEW
	

The objective of AFA Task Force 1 is to identify activities that will help the capacities and capabilities of AFA member bodies in order to close the gaps among them. In doing so, AFA is supporting the member bodies who are yet to be recognised by IFAC to be a member of IFAC. Another focus of AFA Task Force 1 is to coordinate and assist AFA Council by preparing the appropriate timeline and list of programs to close the gaps among member bodies and for AFA member bodies to be a member of IFAC.

## AFA Task Force 2

### ARTICULATING VALUE PROPOSITION TO AFA MEMBERS BODIES AND STAKEHOLDERS (THROUGH BRANDING AND THOUGHT LEADERSHIP)

Lead: Prof. Sidharta Utama (IAI)	Members : ACCA CAANZ
 IKATAN AKUNTAN INDONESIA	

The main tasks of AFA Task Force 2 are as follows:

- Provide advocacy to members**  
To provide advocacy to members by sharing the concerns of the members in regional or global areas. The task force is also committed to support member bodies in communicating with respective national stakeholders.
  - Lead, promote and facilitate bilateral/multilateral cooperation/agreement among members.**
- To encourage AFA member bodies to be ready to have bilateral/multilateral agreements. To come up with this plan, task force will assist AFA Council to lead, promote and facilitate the establishment of partnership between member bodies (including associate members). Another focus of AFA Task Force 2 is to facilitate development of ASEAN Chartered Professional Accountant (ACPA).
- Promote and facilitate member bodies' capacity development.**  
Assistance in the capacity development by facilitating knowledge, resources (experts, training materials, etc) and information sharing among members. elevate member bodies' programs, events and branding through co-branding (with the AFA brand).
  - Facilitate members in dealing with SMEs.**  
Hosting AFA Workshop on SMEs together with relevant stakeholders, for instance IASB. Another focus of AFA Task Force 2 is also to drive thought leadership focusing on SMEs, preparing a Term of Reference for an AFA research on SMEs and SMPs issue.
  - Provide access to cooperate with international and regional organisations, to support all the above value propositions.**

## AFA Task Force 3

### OBTAINING FORMAL RECOGNITION AS AN IFAC ACKNOWLEDGED ACCOUNTANCY GROUPING (AAG)

Lead: Ho Foong Moi (MIA)	Members : BICPA IAI FAP CPA Australia
	

The focus of AFA Task Force 3 is to encourage AFA to be a globally recognised organisation through cooperation with IFAC as an IFAC Acknowledge Accountancy Grouping. In order to achieve this the task force will assist AFA Council in identifying the relevant activities, among others to revise and revisit AFA objective to be aligned with the mission and values of IFAC. The task force is also responsible in providing the recommendation to the AFA Council, to establish strategies and work programs that are aligned with the strategies and work program of IFAC. In doing this AFA also acknowledges the current IFAC strategic review that might potentially affect the relationship between IFAC and its stakeholders.

# ***NEWS FROM Around the Region***





The Brunei Darussalam Institute of  
Certified Public Accountants  
(BICPA)

Total members: 58



## BICPA ACTIVITIES THROUGHOUT 2014

- Another monumental moment on early 2014 was coming from the Public Accountants Oversight Committee (PAOC). The PAOC invited all the public accountants to a certificate presentation ceremony held at the Ministry of Finance. In total 18 individuals from 12 firms received their certificates.
- An important cooperation between BICPA and the Revenue Division of the Ministry of Finance produced good response. Succeeded in holding a fruitful meeting, both parties agreed to hold further dialogues to address lingering tax issues and to achieve common ground on some of the more fundamental issues. The key outcome is the proposed Taxation Technical Committee made up of the Revenue Division and BICPA representatives.

As part of the action plan, the Taxation Technical Committee represented by the Revenue Division and BICPA held its first meeting in May 2014. A number of issues were discussed and both parties reached consensus on some of them. Further meeting will be held in due course although delay is expected due to the recent reshuffling of the Acting Director of Revenue.

To continue the Taxation Technical Committee program, the Ministry of Finance successfully organised two roadshows in May 2014. The roadshow was held in Bandar Seri Begawan and Kuala Belait town, BICPA participated in both of them. The purpose of the roadshow is to promote tax compliance and the accountancy profession.

- In June 2014 the Brunei Darussalam Accounting Standard Council (BDASC) held its first second term meeting. Following that in August 2014 the BDASC sought to appoint members of the working committee for the banking sector and insurance and takaful sector. Furthermore, working committee for accounting standards for non public interest entities and working committee for implementation of accounting standards for non public interest entities were also in the process of being established. These appointments will be for a two years term ending 31<sup>st</sup> July 2016.
- The implementation of IFRS for Public Interest Entities (PIEs) with accounts starting 1<sup>st</sup> January 2014 proceeded as planned. The auditors are required to ensure that the financial statements of the financial institutions are in compliant with the requirement of the Monetary Authority of Brunei Darussalam (AMBD). Where the financial statement is not in compliant with the IFRS, this may be disclosed in the footnote to the accounts. As it is the first year of implementation it is likely that the auditors' will report with a modified opinion, pending approval by the BDASC.



source: [www.glasgow2014.com](http://www.glasgow2014.com)



**KICPAA**  
Kampuchea Institute of Certified Public  
Accountants and Auditors  
(KICPAA)

Total members: 263



# KICPAA ACTIVITIES THROUGHOUT 2014

## Audit Quality



KICPAA has made some efforts to seek the assistance of an independent quality reviewer to provide transparent, practical and efficient recommendations to members of KICPAA who are audit firms (with focus on small audit firms). To date, KICPAA has assessed and advised a number of non-standardised audit firms on issues that need to be improved or shorted. So far, there was no sanction established by KICPAA to its members.

The quality assurance committee of KICPAA has been communicating with other professional bodies to discuss the possibilities of obtaining assistance to do the quality audit review. In this regard, KICPAA has communicated with the Malaysian Institute of Accountants (MIA) to get their support in doing this assignment. The decision is currently being discussed by KICPAA. KICPAA will continue to pursue this endeavour and to hopefully conduct the assesment to the audit firms in due course.

## Continuing Professional Development (CPD)

In 2014, the number of CPD workshops held by KICPAA has increased remarkably. KICPAA has conducted seven workshops in the year to provide opportunities for each members in developing their professional competence. This opportunity was also given to the public in general as a way for KICPAA in playing its role in developing the accountancy profession in Cambodia.

In the long term, KICPAA will increase its efforts to hold more CPD programs to provide capacity building opportunities to accountants in Cambodia.



Below are some of the workshops that KICPAA has held in 2014:

1. IFRS for Regulators.
2. IPSAS for Government Officials.
3. IFRS for Microfinance and Bank Sectors.
4. IFRS in-depth for Professional Accountants.
5. Development of Standardized Accounting Syllabus for Local Universities; and
6. Capacity Building Trainings (Universities).

### Memorandum of Understanding

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KICPAA has a profound interest in paving ways for any person who is willing to join the profession, and has worked closely with ACCA Cambodia to promote this opportunity. In realising this intention, KICPAA and ACCA Cambodia have signed a Joint Examination Scheme Agreement that will run until January 2019.

### Annual General Meeting

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The 11<sup>th</sup> AGM was held in June 2014, and presided over by H.E. Ngy Tayi, Secretary of State and Chairman of the National Accounting Council.

This meeting was intended to wrap up all activities and benefits that KICPAA had been doing for its members throughout 2014. In this opportunity KICPAA also presented its annual financial report to its members.

A number of important decision were agreed in principle during the AGM. For example, the annual audit of KICPAA will be voluntarily performed by its member. This will be done in term to maintain KICPAA's independency and to

provide the opportunity for KICPAA's audit firms members to improve the accountability and transparency of the professional bodies.

A gala dinner was celebrated after the AGM, an opportunity for KICPAA to strengthen its relation and cooperation with its members and general stakeholder.

### Internal Capacity Building

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To further enrich KICPAA human resources development, KICPAA has requited an operation manager to drive the organisation in achieving its objective, and to monitor internal staff more effectively. Furthermore, the Institute has provide some funding support to its staff to continue the development of their competent development by allowing them to attend more training classes, such as English proficiency and computer literacy. KICPAA believes that this will further improve the institute's capacity as they recognised professional accountancy body in Cambodia. Acknowledging the limited size of the institute management, the effort to always develop its current staff is something that will be the priority of KICPAA's council.

## Study Tour

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As part of raising the Institute's professional awareness and capacity KICPAA has identified the Malaysian Institute of Accountants (MIA) as the first model institute that will be used as a reference in further developing KICPAA as the recognised Cambodian accounting professional body. A study tour to visit the MIA office, attended by some of KICPAA's secretariat and members of the governing council was held in 2014.

The objective of the visit was to establish information and experience sharing between the two bodies. This was done among others by learning from the MIA's management and gaining benefits from understanding their approach to the day to day operation of the institute.

## Professional Qualification Program

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### 1. The Inception

To drive the development of the accountancy profession in Cambodia, KICPAA has made some efforts to search for potential donors/funding to financially support the Institute. One of the institute main project is to run a professional qualifications program. However, KICPAA faced a major challenge in obtaining the necessary financial support to realise this project. To take into consideration, KICPAA's operational activities are currently self funded.

The Professional Qualification Committee and the secretariat worked firmly together to accelerate the program. After several years of failure, KICPAA is currently looking at possibilities to re-developed an effective strategic plan by integrating the existing professional qualification into the common route for the professional qualification as other ASEAN professional bodies had established.

### 2. Purpose

The Professional Qualification Program's primary purpose is to produce a standardised professional accountancy program that would contribute positively to the profession, economy and society in general. KICPAA's ultimate goal in this regard is to create an abundance of qualified Cambodian accountants that could serve the public interest and to ensure transparency of financial reporting.

### 3. Process

This program would be run and managed by KICPAA's secretariat, and overseen by the governing council as an independent body. KICPAA will provide course teaching to accredited tuition providers throughout Cambodia. The Institute would be fully responsible for the registration and in conducting professional examinations.

### 4. Strategy

Currently, taking into consideration the big challenge for KICPAA that is the shortage of financial support for the development and execution of the National CPA Qualification Program, the governing council members (term 4) and the secretariat had come into discussion and re-developed the strategic plan with efficient milestones and timeframe. This is crucial in order to successfully overcome significant hurdles that might potentially disturb the execution of this program in the coming years.

## Other Events

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### 1. **Student Roundtables**

KICPAA and ACCA Cambodia worked together to establish and further enhance both organisations' branding at local universities in Cambodia by forming Student Roundtable panel discussions. The objective of the event was to provide the latest information on accounting profession to students, and to raised their awareness on the advantages of enrolling in the profession. Throughout 2014, KICPAA and ACCA Cambodia held three roundtable discussions in; 1) Vanda Institute of Accounting in Phnom Penh, 2) The University of Battambang, and 3) Vanda Institute of Accounting in Siem Reap. These roundtable discussions were attended by large number of students.

### 2. **AFA Council Meetings**

In 2014 the President and delegates from KICPAA participated in two AFA Council Meetings; 1) 115th AFA Council Meeting in Yogyakarta; and 2) 116th Meeting in Vientiane. As an AFA Primary Member, KICPAA actively participated in various AFA events and involved in the exchange of information between AFA members. As part of its role as the recognised accountancy body in Cambodia, KICPAA shared these useful informations to Cambodian accountants.

### 3. **Coordinating Committee on Services (CCS) Meetings**

The ASEAN member countries had been discussing the matter of accounting services mobility within the ASEAN region. One of the important milestones established in this forum was the establishment of the Mutual Recognition Arrangement on Accountancy Services in ASEAN. The CCS meeting were attended by representatives of the relevant regulators of the ten ASEAN member bodies. KICPAA represented Cambodia in these meetings.

The ASEAN MRA on accountancy services has been agreed and signed by all the ASEAN member countries will need to be followed up by the identification of steps and tasks that are necessary in order to realise the intention of this document.

As the result, this Mutual Recognition Arrangement on Accountancy were signed by ASEAN member countries, and the forwarding tasks would be considered.

### 4. **Participation in Anti-Corruption Unit's Meetings**

According to the Government mechanism to reduce corruption and bribery in all sectors, the Anti-Corruption Unit had drafted the Anti-Corruption Program in Private Sectors. There were a number of conferences and workshops held on this Law to obtain inputs and feedbacks from the private sectors and practitioners.

KICPAA as a professional accounting body in Cambodia participated in these meetings to share the point of view of the accountancy profession and provide valuable inputs the drafted law. According to this Law, accounting and auditing firms which provide accounting and audit services should be licensed and complied with code of conduct.

A guide book on Anti-Corruption Program for Business in Cambodia will be published in early 2015, before the drafted Law will be effective. This will served as the guidance for the Cambodian stakeholders in preparing the implementation of the law in Cambodia.



IKATAN AKUNTAN INDONESIA

Total members: 18.507



## IAI ACTIVITIES THROUGHOUT 2014

### The Indonesian Minister of Finance Issued a New Decree on State Registered Accountant



The Minister of Finance of the Republic Indonesia has issued the Minister of Finance Decree Number 25/PMK.01/2014 on State Registered Accountant (PMK), dated 3 February 2014, in effect since its enactment.

The PMK was issued in order to provide guidance on pathways to become a professional accountant in Indonesia, to encourage the development of the accounting profession in Indonesia and to protect the Indonesian's public interest in the setting of the ASEAN Economic Community 2015.

The decree mandates professional accountants in Indonesia:

1. To be competent; through a process of education, professional examination and relevant accountancy working experience;
2. To maintain professional competence through continuing professional education and continuing professional development;
3. To be a good standing member of IAI as the national accountancy body in Indonesia; and
4. To comply with the professional standards and code of conduct.

The 10 chapters and 28 articles contained in the decree comprehensively regulate the professional accountants and the role that they play. Some of the provisions are as follows:

#### 1. **State Registered Accountants**

The Minister of Finance administers the Professional Accountant registration. To be a state-registered accountant a person must meet the following requirements:

- a. Accounting graduate; graduates of professional accounting education; or pass professional examination;
- b. Work experience in the field of accounting; and
- c. Good standing member of the Professional Accountants Organisation.

#### 2. **Accountancy Services Firms**

- a. Professional accountant can set up accountancy services firms;
- b. The firms can provide accountancy services; and
- c. The firms shall not provide assurance services, as referred to in the Indonesian Act No. 5/2011 on Public Accountant.

#### 3. **Professional Accountants Organisation (PAO)**

- a. Professional Accountant shall be a good standing member of the PAO;
- b. The Minister of Finance only recognises one PAO. The PAO is responsible for, among others, the professional accountant certification exam, continuing professional education, and developing and establishing a code of ethic and professional standards, and maintaining member discipline and disciplinary system.

The regulation is completed with the issuance of the Finance Minister Decision (KMK) 263/KMK.01/2014 on 17 June 2014 which entrusted IAI as the recognised PAO to implement the PMK mandate.

#### 4. **Transitional Arrangements**

Accountants who are registered on the State Registered of Accountants before the decree issued shall re-register to the Minister of Finance within a period of three years since the effective date of the decree, through IAI.



As the Professional Accountancy Organisation in Indonesia, IAI has been mandated in carrying out of the PMK. IAI highly appreciates the commitment of regulators who have helped in creating a conducive situation to the development of the accounting profession. IAI will play an important role in becoming an organisation that is responsible for the development of professional accountants in terms of quality, quantity, competence, and capability.

The Chairman of the IAI, Prof. Mardiasmo expressed his optimism that the establishment of the State Registered Accountant will increase credibility and the quality of financial reporting in Indonesia. Professional accountants'

needs can be met to support Indonesia's economic growth. Quality of the work performed by Indonesian accountants can be guaranteed if the professional accountant quality is maintained based on IAI standard.

"Indonesian accounting profession will grow into a highly respected profession in the economic development of the region. Indonesia has the ability to become a country with the strongest professional accountant in terms of number in ASEAN region," Mardiasmo said.

Mardiasmo confirms that IAI is taking the steps required to develop the capacity to ensure adequate professional accountants. "The number of State Registered Accountants who has been recorded, reaches 53,500 people per today and will increase to 100 thousands within three years after the PMK."

#### **MoU Signing Between IAI and RRI**



On 17 February 2014 at the Radio Republik Indonesia (RRI) office, Jakarta, IAI and RRI signed the Memorandum of Understanding (MoU). Rosarita Niken Widiastuti, President Director of RRI and Prof. Mardiasmo, the Chairman of IAI National Council attended this event as the representation from their organisations. "To see a better Indonesia in the future" IAI and RRI claimed to have the same vision for the country.

Both sides agreed to sign an MoU on cooperation in the field of educating the public about the accountability and

transparency of public finance management, financial management in the business sector, and other public sector financial management.

In the future, the three year cooperation is not only to educate the financial management of the state or other public sectors, IAI also will support the RRI in providing a variety of information and resources related to actual issues of ac-

countability and transparency in the business sector, such as in the areas of capital markets, banking, Islamic finance, and so on. The RRI will contribute to the provision of resources and broadcast facilities that can be used to provide education and understanding to the public as well as the provision of bumper filler or related to the educational program.

### IAI-CIMA CFO Program and Memorandum of Agreement Signing



IAI together with the Chartered Institute of Management Accountant (CIMA) jointly held the CFO Program on 3 March 2014 at Pullman Hotel, Jakarta. In this program the participants were given the opportunity to take the CIMA Professional qualification by just following the final examination, Professional Competence in Management Accounting (T4B).

This program is designed by CIMA and IAI as an effort to develop and strengthen professional accountants in business industry, as well as developing a well-trained talent to support economic growth in Indonesia. CFO with high management capability is needed in the global business to business continuity.

There were twenty Indonesian professional accountants on CFO (Chief Finance Officer) level or a senior officer level who have elected to undergo the first stage of selection CFO Program. Furthermore, IAI and CIMA will conduct a review of the selected candidates to ensure they qualify for the next stage.

Another important step was made between IAI and CIMA, both organisations have signed the Memorandum of Agreement (MoA) on 12 November 2014 in Rome, Italy. This action was intended to strengthen the collaboration between IAI and CIMA, as well as to increase the number of accountants with professional qualifications in Indonesia.

The MoA established key areas collaboration between IAI and CIMA. With this MoA CIMA will recognise the IAI's Chartered Accountant designation. The MoA provides two pathways to obtain the CGMA designation.

### MoU Signing Between IAI and ICAEW



On 20 March 2014 at the Grha Akuntan, Jakarta, IAI and ICAEW signed the Memorandum of Understanding (MoU). Mark Billington, the Regional Director ICAEW for South East Asia and Jusuf Halim, member of IAI National Council attended this event as the representative from the respective organisations. IAI and ICAEW are committed to enhance the access and opportunities for its members to support their careers in accounting, business, and finance. This collaboration is also intended to promote a high level of professionalism, ethics, and governance standards, to promote the public interest and to support the accounting profession in Indonesia by building the capacity and capability.

The MoU signing will be mutually beneficial for both parties, especially related to the advancement of accounting knowledge, professional development and intellectual capacity, within the framework of the development of the accountancy profession in Indonesia. This collaboration is also intended to develop the qualification of CA Indonesia.

### **The Establishment of the Institute of Indonesia Chartered Accountants Taxation Compartment**

On 13 March 2014 IAI officially established the IAI Taxation Compartment (IAI KAPj) as one of its own compartment. Appointed as the first chairman for this compartment was Prof. John Hutagaol, the Director of Tax Regulation II, Directorate General of Taxation (DJP) Ministry of Finance.

The establishment of IAI KAPj is one of Institute of Indonesia Chartered Accountants National Council (DPN IAI) working program for period 2010-2014. The establishment is also in line with the MoU signed by IAI and Directorate General of Taxation. The MoU is aimed at enhancing the role of professional accountants in increasing public awareness and compliance in the field of taxation.

### **IAI-AFA Seminar: ASEAN Integrated Accounting Profession for Sustainable Economics Growth**

From The Royal Ambarrukmo Hotel Yogyakarta, IAI hosted a series of events taking the theme of "ASEAN Integrated Accountancy Profession for Sustainable Economic Growth: Common Language Financial Reporting Standards; Enhancing Government Transparency and Accountability; and Value Creation", on 11-14 June 2014.



More than 500 professional accountants from various sectors in Indonesia and ASEAN were in attendance. The event was opened with the Common Language Financial Reporting Standards Seminar where DSAK IAI members acted as the main speakers. For the state financial seminar, IAI Public Sector Accountants Compartment (IAI KASP) successfully invited speakers from government institutions, namely the Governor of Central Java, Ganjar Pranowo and the Governor of South Sulawesi, Syahrul Yasin Limpo.



On the last day, IAI together with AFA hosted an International Seminar. This event was held back-to-back with the 115<sup>th</sup> AFA Council Meeting. Attended by most of AFA Council Member, this seminar was opened by the Chairman of DPN IAI, Prof. Mardiasmo. The chosen theme was in line with the main theme of the series of events "ASEAN Integrated Accountancy Profession for Sustainable Economic Growth". The AFA International seminar was presented by among others AFA President, Estelita C. Aguirre as the main speaker, AFA members from around the region and also the AFA Former Presidents to share their experience on the topics.

As the host country of the 115<sup>th</sup> AFA Council Meeting, IAI proudly present the heritage of Yogyakarta. To entertain all AFA delegates, IAI invited them to join welcome dinner in Bale Raos Restaurant, Keraton Yogyakarta and closed by the farewell dinner in Prambanan Temple.

## Chartered Accountants Indonesia Examination

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On 18 June 2014 IAI took a new step on its organisational history, the first Chartered Accountants (CA) Indonesia exam was successfully held. This examination was held in line with the Finance Minister Decree (PMK) Number 25/PMK.01/2014 about the State Registered Accountant, and statement of membership obligations (SMOs) and Guidelines IFAC.

52 candidates attended the first CA Indonesia examination. The candidates came from diverse backgrounds, such as freshgraduates, academics, government institution, public accountants and many more. The examination was held from 18-21 June 2014 in Jakarta and Yogyakarta. This certification will ensure the quality of Indonesian professional accountants in facing regional and global competition.

## Indonesian Tax Conference 2014

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On 9 September 2014 the IAI Taxation Compartment (IAI KAPj) successfully held the first Indonesian Tax Conference 2014 in Grand Hyatt Hotel, Jakarta. "Tax Implication and Transfer Pricing Issue on Cross Border Transaction" was the theme chosen in this conference. This event was officially opened with a keynote speech from the Director General of Tax, Fuad Rachmany. Among the attendees, the Chairman of DPN IAI, Prof Mardiasmo wished that accountants as a professional who understand the dynamic of financial reporting could also contribute in finding a solution of the transfer pricing issue.

More than 200 participants were in attendance. As the first tax conference, IAI KAPj invited a number of tax practitioners as the speakers. Not only local but also tax experts from several countries, among others from Philippines, Singapore, Hongkong and Latin America.

## National Accountancy Symposium XVII

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The 17<sup>th</sup> National Symposium was held on 24-27 September 2014 in Mataram University, Lombok, with the Compartment of Education Accountants of IAI acted as the host. The chosen theme for this event was "The Role of Accountants in Achieving Sustainable Development through Integrated Reporting". This event was aimed to give a contribution for accounting research and education development in Indonesia.

About 800 accountants from various universities all around Indonesia joined the event. The papers that were presented and discussed in SNA XVII were selected by blind review process. As many as 183 research papers were selected, with three papers selected and awarded as the best papers for this year's event. Issues such as Income Tax and Going Concern Judgement were among the topics. The results of the study are expected to be a valuable input in the development of curriculum and instructional materials in the educational process and accounting practices.

## The Annual Report Award 2013

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The Indonesia Financial Services Authority together with the Bank of Indonesia, the Indonesian Stock Exchange, the Directorate General of Taxation, the Ministry of State-Owned Enterprises and Institute of Indonesia Chartered Accountants (IAI) co-hosted the annually held, The Annual Report Award (ARA) 2013. The theme chosen was "To Establish the Indonesia Economic Competitiveness in Welcome the 2015 ASEAN Economic Integrity Through Transparency".

273 companies participated in the event, consisted of listed companies, private companies and state-owned enterprises. The organising committee mentioned that there will be eight criteria to be the winner of ARA 2013. The announcement of the recipients was held on 16 October 2014 in The Ritz Carlton Hotel, Jakarta and came as the major winner for ARA 2013 was PT Bank Rakyat Indonesia, Tbk.

## Appointment of Four IAI Board Members as Ministers of the Republic of Indonesia

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On 20 October 2015, the appointment of four professional accountants on President Jokowi and Vice President Jusuf Kalla's Working Cabinet Ministers create a new history for IAI and the accountancy profession in Indonesia. There were three ministers and one deputy minister with an accountancy background appointed on the cabinet ministers namely, Ignatius Jonan as Minister of Transportation, Sudirman Said as Minister of Energy and Mineral Resources, Prof. M. Nasir as Minister of Research and Technology and Higher Education, and Prof. Mardiasmo as Deputy Minister of Finance.

Prof. Mardiasmo was also re-elected as the Chairman of IAI National Council (DPN) period 2014-2018 on the IAI XII Congress 19 December 2014. Sudirman Said as the Minister of Energy and Mineral Resources was previously served as the first Executive Director of IAI and served as a member of the IAI National Council 2010-2014.

Prof. M. Nasir was appointed as Minister of Research and Technology and Higher Education. He previously served as the chairman of IAI Education Compartment (IAI KAPd), and continue to serve the institute as the advisor of IAI KAPd. Last but not least, the Minister of Transportation of the Republic of Indonesia, Ignatius Jonan. He was the winner of the Accountant of the Year in 2013, and currently serving as the member of IAI Ethics Committee.

With the appointment of four professional accountants in the Working Cabinet Minister it enhances the role of accountants to achieve the establishment of the welfare state. This step also illustrates the position of accountant on national economy development, as well as the enforcement of Good Public Governance and Good Corporate Governance.

## Appointment of Ahmadi Hadibroto and Prof. Sidharta Utama into IFAC Board and IFAC IAESB

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IAI proudly announced the reappointment of Ahmadi Hadibroto into the IFAC Board, for the period of November 2014 - November 2016. This is Ahmadi's second term, continuing his firm term serving as a Board member from November 2011 to November 2014. Ahmadi's nomination was fully supported by IAI.

Ahmadi Hadibroto has previously served as the Chairman of IAI from 2002 to 2010. He was also the Deputy President of AFA for the period of 2004-2005, and the President of AFA for the period of 2006-2007.

IFAC has also appointed Prof. Sidharta Utama as a member of the IFAC International Accounting Education Standards Board, for the period of 1 January 2015 to 31 December 2017. Prof. Sidharta Utama is currently a professor at the Faculty of Economics, University of Indonesia. He is also currently serving as a National Council Member of IAI, and the official representative of IAI in AFA.

### **IFRS International Seminar and the 8<sup>th</sup> EEG Meeting**

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On 10-11 December 2014, IAI successfully hosted the IFRS International Seminar at the Pullman Hotel, Jakarta. The seminar was part of a series of events taking the theme of "ASEAN Integrated Accountancy Profession for Sustainable Economic Growth". It was a part of the IAI XII Congress and 57<sup>th</sup> Anniversary. The objective of this seminar was to provide update on the latest SAK and IFRS to the Indonesian accountants.

The IFRS International Seminar was officially opened with a keynote speech from Muliaman Hadad as the Chairman of the Board of Commissioners of the Indonesia Financial Services Authority (OJK). The main speakers of this seminar were member of the IASB, Martin Edelmann, who shared the latest development of IFRS, Chairman of the Emerging Economies Group (EEG), Wayne Upton, and the Chairman of MASB, Dato' Mohammad Faiz Azmi.

The IFRS International Seminar was officially opened with a keynote speech from Muliaman Hadad as the Chairman of the Board of Commissioners of the Indonesia Financial

The seminars were attended by more than 600 participants, who actively involved in creating fruitful discussions. On this event, the Indonesian Financial Accounting Standard Board (DSAK IAI) also ceremonially launch the new Indonesian Financial Accounting Standard (SAK) book, that include the SAK per effective 1 January 2015.

The international seminar was held in conjunction with the 8<sup>th</sup> EEG meeting hosted by Indonesia through DSAK IAI. The meeting was held on 11-12 December 2014 at the Pullman Hotel Jakarta, and attended by most of the EEG members, the International Accounting Standards Board (IASB) member and the Chairman of IFRS Interpretation Committee.

### **The IAI Seminar and the 57<sup>th</sup> Anniversary of IAI**

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As part of the series of events on the IAI XII Congress and to celebrate the 57<sup>th</sup> Anniversary of IAI, IAI continued to held a two day seminar on 17-18 December 2014 at Balai Kartini, Jakarta. It then followed by the celebration of the Institute's 57<sup>th</sup> Anniversary.

The Chairman of the Audit Board of the Republic of Indonesia, Harry Azhar Aziz delivered the keynote speech to open the IAI Seminar. This seminar was attended by the Chairman of People's Representative Council of the Republic of Indonesia, Setya Novanto. There were many competent speakers participated in this seminar, among others were the Chairman of Chartered Institute of Public Finance and Accountancy, Ian Ball, the Minister of Research and Technology, M. Nasir, the Minister of Finance, Bambang P.S Brodjonegoro, the Vice Minister of Finance, Prof. Mardiasmo and the Coordinating Minister for Economic Affairs, Sofyan Djalil.

The event start with a plenary session seminar, followed by concurrent sessions in five paralel clases and closed with a gala dinner. More than 600 accountants were in attendance to celebrate the 57<sup>th</sup> Anniversary of IAI. Among the guests were a number of senior accountants who shared their inspiring experience on the establishment of IAI on the past.

### The IAI XII Congress



The final round of the series of events was the IAI XII National Congress on 19 December 2014, at the Balai Kartini, Jakarta. The IAI National Congress is the biggest accountants meeting in Indonesia. It is carried out every four years, to discuss the latest developments in the accounting profession and formulate strategic recommendations in the context of professional development.

More than 1,000 accountants attended the Congress to join the election of IAI National Council members for the period of 2014-2018. Ito Warsito, Rosita Uli Sinaga, Cris Kuntadi, Maliki Heru, Dwi Setiawan, Lindawati Gani,

Khomsiyah, Sidharta Utama, Dwi Martani, Gatot Trihargo, Tia Aditya, Ahyani Zaman, Ardan Adi Perdana, Ferdinand Purba and Ainun Naim were elected as the new Council Members of IAI. All of IAI members decided to re-elect Prof. Mardiasmo as the Chairman of IAI National Council for his second term.

### Official Renaming of Ikatan Akuntan Indonesia



Ikatan Akuntan Indonesia (IAI) has reached a new milestone in its organisational history. As part of the IAI XII National Congress, the Congress has officially agreed on the renaming of the Institute's English name from previously THE INDONESIAN INSTITUTE OF ACCOUNTANTS to **INSTITUTE OF INDONESIA CHARTERED ACCOUNTANTS**. The renaming is effective since the date it was agreed by the Congress, attended by more than 1.000 members of IAI. The renaming further escalates the branding of the Institute's Chartered Accountant designation that has been introduced a couple of years back.



Total members: 176



## LICPA ACTIVITIES THROUGHOUT 2014

### Reorganisation of LICPA

Early in the year, LICPA has elect the new LICPA President, Dr. Phirany Phissamay. She was appointed by the Minister of Finance to strengthen the institute.

New LICPA Office Manager, Mr. Nanthalath Thirakul was also appointed.

### LICPA Meetings

LICPA meeting was organised in the 19 May 2014. It gathered its members in order to introduce the National Strategy of Accounting and Audit Reform of the Ministry of Finance. A new action plan was submitted to the members for approval, in which the main goal of being an IFAC member was set up and activities are planned for improving and initiate the CPA curriculum, CPD program, and quality control to be complied with the IFAC Statements of Membership Obligations.

LICPA Council meeting was organised in September with discussion about strengthening the organisation and preparation of the Joint Conference with AFA and ACCA, and the 116<sup>th</sup> AFA Council Meeting. Members of LICPA were introduced to the changes of the amended Accounting Law in the meeting organised by Ministry of Finance. At the same time LICPA members were informed to be prepared for the first quality control review.

### LICPA-AFA-ACCA Joint Conference: Strengthening the Accountancy Profession with Global and Regional Integration



The Joint Conference with the theme of “*Strengthening the Accountancy Profession with Global and Regional Integration*” in conjunction with the 116<sup>th</sup> AFA meeting was successfully co-organised by LICPA (the Lao Institute of Certified Public Accountants), AFA (ASEAN Federation of Accountants) and ACCA (the Association of Chartered Certified Accountants) on the 25 October 2014 at Lao Plaza Hotel, Vientiane. About 170 professional accountants, including 12 invited international and ASEAN speakers from senior leaders of AFA Council Members, attended this conference. Invited speakers shared their views and address the impact of global accounting standards on economic development, and how professional accounting bodies can support the AEC.

## LICPA and ACCA MoU Signing Ceremony



LICPA and ACCA signed a memorandum of understanding (MoU) on the 25 of October 2014 at the joint conference jointly organised by LICPA, ACCA, and AFA in Vientiane to work together to achieve and promote the highest standards of professionalism, ethics, and governance, advance public interest in the profession, and support in Laos. This MoU was signed in the spirit of mutual cooperation and is aimed at building capacity and capability in the finance and accountancy profession in Laos in order to support the country's economic ambitions and social development.

## MoF and LICPA Seminar on Finance Related Legislations

With cooperation between Ministry of Finance (MoF) and LICPA, a seminar to disseminate some finance-related laws was held on the 19 January 2015 at Lane Xang Hotel, Vientiane. There were about 80 participants that represent accounting and audit firms and some accountants practicing in business. Senior technical staff from the Tax and Accounting Departments presented some highlighted points of the amended tax, value-added tax, accounting and independent audit laws.



Total members: 31,454



# MIA ACTIVITIES THROUGHOUT 2014

## MIA International Accountants Conference 2014 - Powering the Economy, Leading with Dynamism



The MIA International Accountants Conference 2014 aims to deliver unparalleled knowledge and content to help accountants make this critical paradigm shift. The Conference has drawn more than 2,500 delegates from more than 30 countries from commerce and industry, public sector, public practice and academia, making this one of the world's largest gatherings of accountants.

There are more than 60 leading experts in their sectors to share their insights into some of the most important developments in the global business environment and the global accountancy profession. The conference is officiated by YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister of Malaysia.

This year the MIA International Accountants Conference is focusing on ASEAN integration, global management accounting principles and integrated reporting, plus an inspirational talk by one of the Malaysia's leading accountants - YB Senator Dato' Sri Wahid Omar.

On another note, two of the defining trends for 2015 will be the imminent integration of ASEAN countries into a single marketplace through the ASEAN Economic Community, which will start by end of 2015, and the enforcement of GST in Malaysia beginning 1 April 2015.

## The Committee to Strengthen the Accountancy Profession in Malaysia (CSAP) – Invitation for Public Feedback on the Proposed Recommendations

CSAP was established as part of the country action plan to address issues raised in the Report on the Observance of Standards and Codes in Accounting and Auditing (ROSC AA) released by the World Bank in 2012. In addition to addressing the issues raised in the report, the CSAP considers this as the opportune juncture to identify ways to further strengthen the Accountancy profession in Malaysia and enhance the contribution of the accountancy profession in nation building, given the changing economic landscape and the need for Malaysia to remain competitive as a nation. The CSAP members comprising senior representatives of key regulators and stakeholders of the accountancy profession as below:

1. Securities Commission (Chair)
2. Ministry of Finance
3. Bank Negara Malaysia ( Central Bank)
4. Companies Commission of Malaysia

5. Accountant General Department
6. Malaysian Institute of Accountants

CSAP has released a consultative document on 12 December 2014 and invited public feedback on the proposed recommendations to enhance the accountancy profession in Malaysia. The aims of the recommendations are to enhance the contribution of the accountancy profession in nation building, to ensure the economy is supplied with the requisite number of professional accountants and to reset the governance of the accountancy profession to ensure its effectiveness. The due date for the public feedback was 31 January 2015.

### **MIA Calls on Minister of Finance II**



Change, as the adage goes, is constant in today's business environment. Accountants who play an integral role in business are also subject to constant change and new challenges.

To ensure the accountancy profession in Malaysia remains relevant in the present dynamic environment and is moving in the right direction, the Malaysian Institute of Accountants (MIA) President Johan Idris together with MIA CEO, Ho Foong Moi paid a courtesy visit to the Minister of Finance II, YB Dato' Seri Ahmad Husni Mohamad Hanadzlah, at his office in Putrajaya. The visit was aimed to brief the ministry on some of the proactive steps and measures initiated by the Institute in its efforts to stay abreast with national and international developments affecting the accountancy profession as well as supporting the realization of the national agenda.

### **National Annual Report Corporate Report Awards (NACRA) 2014 – Promotes Excellence in Corporate Reporting**



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

All awards were presented by Datuk Ahmad Maslan, Deputy Finance Minister I who represented Dato' Seri Ahmad Husni Mohamad Hanadzlah, Finance Minister II.

Telekom Malaysia Berhad (TM) continued its winning streak by clinching the Overall Excellence Award at the National Annual Corporate Report Awards 2014 presentation ceremony. The event was held last night in Kuala Lumpur. TM who was also the top winner last year also swept up the highest number of awards in the competition by winning the following categories:-

- Industry Excellence Award for Main Board Company in Trading and Services
- Best Annual Report in Bahasa Malaysia - **Platinum**
- Best Corporate Social Responsibility Reporting Awards - **Platinum**
- Best Designed Annual Report - **Gold**

The Gold and Silver awards for the Overall Excellence Annual Report went to Malayan Banking Berhad (MBB) and CIMB Group Holdings Berhad (CIMB) respectively. Meanwhile MBB also racked Industry Excellence Award for Main Board Company in Finance and CIMB won the Best Designed Annual Report (Platinum). 10 companies were also presented with the Certificates of Merit.

### **National Award for Management Accounting (NAfMA) 2014 - Recognising Malaysia's Best in Management Accounting**



Business leaders and accounting professionals won the prestigious National Award for Management Accounting (NAfMA) in various categories for excellence in management accounting and business performance. NAfMA is awarded by the Malaysian Institute of Accountants (MIA) and the Chartered Institute of Management Accountants (CIMA). Datuk Ahmad Maslan, Deputy Minister of Finance, presented the awards during a dinner on 8 September 2014.

### **Securities Commission, International Integrated Reporting Council, MIA and ACCA Discussed on the Efforts to Accelerate the Integrated Reporting Revolution in Malaysia**

Integrated Reporting <IR>, is the next phase in the ongoing evolution of corporate reporting, looks set to revolutionise the Malaysian Business landscape. Integrated Reporting <IR> is set to transform the landscape of corporate reporting as we know it, said International Integrated Reporting Council (IIRC) Chief Executive Officer, Paul Druckman at a forum co-organised by Securities Commission, IIRC, MIA and ACCA held in SC on 23rd April 2014. With the theme, 'Integrated Reporting: Revolutionising the way we communicate value in Malaysia', the forum gives comprehensive picture of <IR> framework and its relationship among business, society and environment in corporate reporting.

'The goal of <IR> is to give a comprehensive picture of the organisation, thus helping management, investors and other stakeholders make better-informed decisions,' said Druckman.

## MIA holds Goods & Services Tax Conference 2014

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The Malaysian Institute of Accountants (MIA) organised the GST Conference 2014 on 17 July 2014 at the Connexion@Nexus, Bangsar South, Kuala Lumpur. With less than a year to go before the Goods and Services Tax or GST comes into effect, the conference is a great platform for finance leaders and tax practitioners from other neighbouring countries to share knowledge, techniques and strategies on how to integrate GST into an organisation while aligning with its business objectives.

At the welcome address of the GST Conference 2014 MIA President Johan Idris said MIA will continue to work closely with the Government in facilitating the GST implementation exercise. The GST is one of a valuable source to ensure that our tax system become more effective, efficient, transparent and business-friendly.

## MIA Public Practitioners Forum - Treat Rapid Change as Opportunities

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Malaysian Institute of Accountants (MIA) President Johan Idris advised practitioners to treat rapid changes and developments in the auditing landscape as opportunities and embrace innovative practices to adapt to change more effectively.

Speaking at the Public Practitioners Forum which was held on 11 September in Kuala Lumpur, Johan mentioned that in the last 10 years the auditing fraternity has been in the thick of things with issues relating to both global and regional changes in auditing and financial reporting standards, taxation, global liberalisation and mobility, demographics and talent management, company and business law and corporate governance reforms.

The Forum is the flagship event dedicated to the interests and concerns of public practitioners in Malaysia. This year's sessions were innovatively slotted into four "learning paths". The objective of the divisions was to enhance practitioners' knowledge on taxation, to grow the practitioners practice in line with new opportunities and business development, updates on regulatory development and recent developments on corporate reporting and standards. Themed "Managing the Changing Face of Tomorrow's Practice" the event attracted good support from in public practice.

## MIA and MICPA organises AuditWorld 2014

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One of the core areas of the accountancy profession is audit and assurance. Therefore, auditors are required to adhere to global auditing standards and conduct high quality audit at all times.

With this in mind, the Malaysian Institute of Accountants (MIA) together with Malaysian Institute of Certified Public Accountants (MICPA) have jointly organised the AuditWorld 2014 on September 23 at Pullman Kuala Lumpur Bangsar. With the theme, Evolving In Practice, the Conference discussed a wide range of topics that affects the audit and assurance function.



At the opening remarks of the AuditWorld 2014, MIA Chief Executive Officer Ho Foong Moi said accountants must embark not only on continuing professional education but also focus on a life-long learning process to keep abreast with the latest developments that are affecting the accountancy profession.

### **Bringing Accounting Educators Together at National Accounting Educators Symposium 2014**



On 26 and 27 May 2014, the Malaysian Institute of Accountants (MIA) organised the National Accounting Educators Symposium (NAES) 2014 at Istana Hotel in Kuala Lumpur. The symposium was an avenue for accounting educators to get together and keep abreast of the latest developments in the accounting profession.

The topics talked about include developing professional accountants i.e. bridging the gaps between academia and industry. The discussion focused on how universities can work together with corporate entities to help ensure that graduates' competence remain robust and relevant in the future.

There were also sessions on Malaysian Private Entities Reporting Standard (MPERS) designed for private entities and, the International Auditing and Assurance Standards Board (IAASB)'s Exposure Draft, which proposes changes to audit reports including providing information on how audits are performed.

### **MIA – Sunway TES Jointly Organise National Accounting Quiz 2014 for Schools**

The competition was aimed to expose and garner the interest of students to learn and gain knowledge about the accounting field and the accountancy profession. AQ 2014 is supported by the Ministry of Education (MoE) and The Association of Chartered Certified Accountants (ACCA), who is the strategic partner.

Sekolah Menengah Kebangsaan (SMK) USJ 13 were declared the champion at the Malaysian Institute of Accountants (MIA) and Sunway TES jointly organised National Accounting Quiz (NAQ) 2014. Team "Elite of 13", took home the main prize worth RM160,000 in scholarship from Sunway TES.

The first and second runner-up went to team "Revenue" from SMK Bandar Puchong Jaya (A) and team "Leaf", being the second participating team from SMK USJ 13, respectively. All winning teams were from the state of Selangor. The awards were presented by MIA Chief Operating Officer, Datin SK Yap.

The competition took place on 13 September at Sunway University, Selangor. A total of 10 teams from 9 schools made it to the finals. The schools represented their respective states of Selangor, Sarawak, Penang, Negeri Sembilan and Perlis.



Since the competition began on 22 April this year, NAQ 2014 attracted the participation of 1,000 teams representing 300 schools. A total of 3,521 students took part in the various qualifying rounds.

### **MIA Continues its Support of Inter Varsity Accounting Quiz (IVAQ)**

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As part of MIA's strategic thrust to promote the accountancy profession and facilitating awareness among undergraduates, the Institute has once again extended its support to the Accounting Club Students of Multimedia University (MMU) campus in the organising of the 13th Inter Varsity Accounting Quiz (IVAQ) 2014 competition.

Themed "A Quest to Complete, A Stage to Unite" IVAQ saw the participation from 43 universities, colleges and other institutions of higher learning (IHLs) from all over Malaysia.

The competition which was held at Dewan Seri Negeri from 21 until 22 March 2014 was officiated by MIA Registrar, Sudirman Masduki. In his opening remarks, Sudirman mentioned that IVAQ has acted as a platform in creating awareness on the accountancy profession to the participating institutions of higher learning for over a decade.



### **MIA and Talent Corporation Hold Mini Sector Focused Career Fair on Professional Opportunities in Accounting Sector**

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As part of its strategic thrust to optimise Malaysian talent, as well as facilitating awareness among the public of the career opportunities available in priority sectors under the 11 National Key Economic Areas (NKEAs), Talent Corporation Malaysia Berhad (TalentCorp) in collaboration with Malaysian Institute of Accountants (MIA) hosted a Mini Sector Focused Career Fair (Accounting) today at Sunway University. The event was officiated by Minister in the Prime Minister's Department, YB Dato' Seri Abdul Wahid Omar on 24 February 2014.

Dato' Seri Wahid shared his thoughts at the event, "The demand for human capital development in Malaysia is increasing in light of the Economic Transformation Plan (ETP) and Malaysia's vision of becoming a high-income, knowledge-based economy by 2020. This event gives employers a platform to scout industry-related talent directly from universities and colleges in Malaysia, while providing an opportunity for employers to play a role in developing and enhancing local talents to help the nation achieve its transformational goals."

### **MIA and ACCA Organise a Seminar for Accounting Teachers and Counsellors**

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The Malaysian Institute of Accountants (MIA) and the Association of Chartered Certified Accountants (ACCA) collaborated in organising a seminar for accounting teachers and counsellors on 10 June 2014 in Kuala Lumpur. This initiative is supported by the Ministry of Education Malaysia. The objective of the seminar is to educate teachers and counsellors about the prospects of accounting profession, which promises an exciting career path for students.

The project is certainly timely and in-line with the demand for human capital development in Malaysia in light of the Economic Transformation Plan (ETP) and Malaysia's vision of becoming a high-income, knowledge-based economy by

2020. This event also provides an opportunity for educators to play an important role in developing and enhancing local talents to help the nation achieve its transformational goals.

### **MIA Issues Report to Assist Audit Practitioners Improve Audit Quality**

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In today's complex global economic environment, audit practitioners face unique challenges in value creation and capacity building. Against this backdrop, Malaysian Institute of Accountants (MIA) issues its Practice Review Report, consisting of a compilation of common findings of practice review gathered over the period 2009 to 2013. The common findings are available in the appendix to the report.

MIA President, Johan Idris said, "The report is produced with the objective of assisting our member firms identify and overcome challenges that may exist in the internal control system in their firms and improve audit procedures that may be lacking or deficient when performing their audit".

Johan added, "Among key areas where improvements can be made to enhance audit quality are the implementation of International Standard on Quality Control 1 (ISQC 1) -Quality control for firms that perform audits and reviews of financial statements and other assurance and related services engagements; audit documentation and evidence gathering, as well as compliances of accounting standards".

### **MIA and CPA Australia Ink MoU to Enhance Skill of Senior MIA Members**

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Malaysia's accountancy profession will be further enhanced thanks to an agreement signed today between the Malaysian Institute of Accountants (MIA) and one of the world's largest accounting organisations, CPA Australia. Building on the already close relationship between the two bodies, this new Memorandum of Understanding (MoU) will enable MIA members who have served the profession for more than 10 years in a senior capacity, to further enhance their credentials by obtaining the CPA Australia designation.

According to MIA Vice President Datuk Zaiton Mohd Hassan, MIA members will now be able to pursue a globally recognized professional accountancy qualification.



### **MIA and ACCA Ink MoU to Support the Aim to Increase Qualified Accountants in Malaysia**

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The Malaysian Institute of Accountants is aiming to develop 60,000 accountants and finance professionals by 2020. MIA inked a MoU with ACCA on the prospect. MIA President said both MIA and ACCA have identified areas of cooperation based on the recognition value and the need for advancement of the accountancy profession in Malaysia.

### **MIA and CIMA Committed to Raising the Number of Professionally Qualified Accountants in Malaysia**

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The Malaysian Institute of Accountants (MIA) and the Chartered Institute of Management Accountants (CIMA) have signed a Memorandum of Agreement (MoA) which provides for a three year renewable collaboration to increase the number of accountants with professional qualifications in Malaysia.

The collaboration between MIA and CIMA will also help to meet the Government's aspiration of increasing the number of professionally qualified Bumiputra accountants from 8% to 25% by 2020. The MoA was signed in Rome, Italy on 12 November 2014, on the sidelines of the recently concluded World Congress of Accountants.

## KICPAA Study Visits to MIA

The Malaysian Institute of Accountants hosted delegates from the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) on 11 December 2014. At the two-day session, delegates were briefed on the various aspects of the day-to-day operations of the Institute and the function of MIA in developing as well as regulating the accountancy profession in the country.

Comprising of KICPAA's Governing Council Members and Management, the visit was part of their development programme and to learn from MIA on the way forward in progressing the accounting and auditing profession in Cambodia. The visit comes within the framework of the ASEAN Federation of Accountants (AFA) which is to support and enhance mutual cooperation among AFA member bodies.

## MIA Plays Host to Study Tour Group from Myanmar Professional Body and Government Agencies



The Malaysian Institute of Accountants (MIA) hosted a study group from Myanmar comprising of accounting and auditing professionals who are on a five day study tour. They were received by Datin SK Yap, Chief Operating Officer of MIA.

Coordinated by the Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH, the study group comprised of four major stakeholders representing Myanmar's Government, banking industry, regulatory and professional accounting bodies. The study tour was organised to learn from Malaysia on the implementation of accounting and auditing standards and frameworks, enforcement and knowledge sharing on their applications in the banking sector.

Briefing the study group from MIA were Rozlisham Abdul Wahab, Head of Corporate and International Affairs, G. Shanmugam, Head of Professional Development, Annie Look, Director of Surveillance and Enforcement and Siew Wai San, Director of Member Development and Education.

The visit comes within the framework of the ASEAN Federation of Accountants (AFA) which is to support and enhance mutual cooperation among AFA member bodies and relevant agencies in ASEAN.

## Nigerian Federal Government Officials Study Visit to MIA

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The Malaysian Institute of Accountants (MIA) received visitors from the Nigerian Federal Government on 30 April. Led by the Accountant General of the Federal Government of Nigeria, Jonah Otunla, the 31 Nigerian officials were greeted by MIA Corporate and International Affairs Head, Rozlisham Abdul Wahab on behalf of the MIA President, Johan Idris.

Others present from MIA were Director of Professional Standards and Practices (PSP) Eddie Wong and Senior Manager of PSP Rasmimi Ramli.

The entourage were in town on a study visit to learn more from Malaysia on the implementation of the International Public Sector Accounting Standards (IPSAS). A presentation was given to the delegates by the MIA team focussing on MIA's functions and roles in developing and regulating the accountancy profession in Malaysia as well as other matters relating to practice review, financial statements review, investigation, and disciplinary.

## Mongolian Delegates Visit MIA

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On 15 April 2014, Malaysian Institute of Accountants (MIA) officials held a successful meeting with the delegates from the Mongolian Ministry of Finance as well as a delegate from the Mongolian Institute of Certified Public Accountants on topics relating to developing the accountancy profession.

The delegates from the Ministry of Finance of Mongolia comprised Director, Accounting and Policy Department, Khandsuren Purevsuren, Member of the Accounting Standards Board, Senior Specialist of Accounting and Policy Department, Budsuren Bolormaa, Specialist, Accounting and Policy Department, Byambajav Sansarmaa and, Specialist, Financial Policy and Debt Management Department, Khiimorsan Bolor-Erdene. Also present at the meeting was the Chief Executive Officer of Mongolian Institute of Certified Public Accountants (MonICPA), Choi. Chimidsuren.

They were received by MIA Chief Executive Officer, Ho Foong Moi, Chief Operating Officer Datin SK Yap, Director of Surveillance and Enforcement Annie Look Kam Kiew, Director of Professional Standards and Practices (PSP) Eddie Wong, Senior Manager of PSP Rasmimi Ramli and, the Head of Corporate and International Affairs, Rozlisham Abdul Wahab.

## JICPA Officials Visit MIA

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Officials from the Japanese Institute of Certified Public Accountants (JICPA) paid a visit to the Malaysian Institute of Accountants (MIA) on 26 May. Present from JICPA were Executive Director of International Affairs, Shinji Someha and Manager on IFRS and International Affairs, Shun Kobayashi. They were welcomed by MIA Registrar Sudirman Masduki on behalf of MIA Chief Executive Officer, Ho Foong Moi. Also present from MIA were Chief Operating Officer Datin SK Yap, Director of Professional Standards and Practices (PSP) Eddie Wong and MIA Corporate and International Affairs Head, Rozlisham Abdul Wahab.

The meeting was called on by JICPA to exchange information on activities carried out by MIA in relation to members' growth and development as well as possible cooperation in knowledge sharing programmes between both Institutes.

## ICAEW Pay Courtesy Visit to MIA

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MIA received a courtesy visit by ICAEW Chief Executive, Michael Izza and ICAEW Regional Director for South East Asia, Mark Billington. Also present was Head of ICAEW Malaysia, Loh Wei Yuen. They were welcomed by MIA Chief Executive Officer, Ho Foong Moi who was joined by MIA Chief Operating Officer, Datin SK Yap. The visit was organised by ICAEW as a part of its stakeholders engagement within the region.



Total members: 1,390



# MAC ACTIVITIES THROUGHOUT 2014

## Activities of the Myanmar Accountancy Council (MAC)



- In 2014, MAC meetings had been held nine times. During these meetings, matters concerned with drafting the new MAC Law, technical/professional, trainings and examinations were discussed.
- MAC drafted the new MAC Law which will replace the existing MAC Law. The new draft Law was sent to the Union Attorney General's Office for legal comments on 31 March 2014. The Union Attorney General's Office provided its suggestions/opinion on 22 July 2014. Then, the draft Law was sent to the President's Office. After getting the President's Office permission, the draft Law will be sent to the Hluttaw (Parliament) Office. The draft Law will be discussed at the three levels of Hluttaws before it is enacted.
- Training courses conducted by MAC in 2014 are as follows:
  - a. Diploma in Accountancy Part I (2014-2015 Academic Year) was commenced on 1 February 2014. There are 418 students in Yangon Training School and 349 students in Nay Pyi Taw. The course was finished on 29 November 2014. The examination for that course was slated to be held from 5-9 January 2015.
  - b. Diploma in Accountancy Part II (2014-2015 Academic Year) was commenced on 9 June 2014. There are 97 students in Yangon Training School and 145 students in Nay Pyi Taw. The course will be finished on 31 March 2015.
  - c. Certified Public Accountant Part I (Batch 40) course was commenced on 12 May 2014, with 667 students in Yangon Training School and 75 students in Nay Pyi Taw. The course will be finished on 11 April 2015.
  - d. Certified Public Accountant Part II (Batch 39) course was commenced on 1 August 2014, with 68 students in Yangon Training School. The course will be finished on 4 July 2015.
- Examinations conducted by MAC during 2014 are as follows:
  - a. Diploma in Accountancy Part I (2013-2014 Academic Year) Examinations was held from 13-17 January 2014. There are 578 candidates and 256 had passed the exam. The pass rate is 44.29%.



- b. Diploma in Accountancy Part II (2013-2014 Academic Year) Exam was held from 5-12 May 2014. There were 321 candidates and 115 had passed. The pass rate is 40.07%.
- c. Certified Public Accountant Part I (Batch – 39) exam was held from 31 March-7 April 2014. Of 175 candidate, 65 had passed. The pass rate is 37.14%.
- d. Certified Public Accountant Part II (Batch – 38) exam was held from 11-18 August 2014. There are 143 candidates, of whom 72 had passed. The pass rate is 50.35%.

**Activities of the Myanmar Institute of Certified Public Accountants (MICPA)**

- The list of seminars/workshops conducted for CPE hours to be fulfilled by MICPA members, both non-practicing and practicing CPAs are among others:
  - a. IFRS for SMEs.
  - b. Introduction to Valuation.
  - c. IFRS Training Course for CFO.
  - d. Anti Money Laundering and Countering the Financing of Terrorism.
  - e. ISA Training Program, etc.
- The following MoUs have been signed by MICPA with the foreign professional accounting bodies, with whom to work in close cooperation and coordination on the implementation of projects/programs on the advancement of the accounting profession and education with their technical assistance are among others ACCA, Daiwa, CIMA, ICAEW, and GIZ.
- MICPA had held discussions on improvement of professional accounting as well as on other matters with the following foreign organisations are among others ICAEW, IMF, GIZ, ACCA, ICMA, Daiwa, World Bank. Their discussions have been focused on helping MICPA strengthen the infrastructure and capacity building for furthering developing professional accounting and education.
- Active participation by MICPA EC members in discussions on the following:
  - a. Consultations with the Securities and Exchange Commission on the establishment of the Stock Exchange in Myanmar.
  - b. Consultations with Daiwa on matters relating to Stock Exchange to be launched in June 2015.
  - c. New Myanmar Companies Act amendment to be undertaken by the Directorate of Investment and Company Administration (DICA) with input from the ADB experts.
  - d. Consultations on taxation issues with the Internal Revenue Department (IRD) for amending the Tax Law.
  - e. Contributions in drawing up the Draft Myanmar Accountancy Council (MAC) Law, which will probably be passed by Union Parliament in the near future.

- Reestablishment of MICPA under the Myanmar Companies Act.  
MICPA, which was formed in 2013 as an association with the permission of the Ministry of Home Affairs, was reestablished as a non-profit organisation under the provisions of the Myanmar Companies Act, complete with its own memorandum of association (MOA) and articles of association (AOA) under registration No.5167/2013-2014, dated 30 January 2014 of the Ministry of National Planning and Development. Thus, MICPA is now able to operate as a corporate body in accordance with its own MOA and AOA for the advancement of professional accounting and education in Myanmar as a member of AFA.
- Attendance of MICPA EC members at the meetings of foreign professional accounting bodies, as shown below:
  - a. ASEAN Federation of Accountants Meetings (4 times).
  - b. Committee on Co-ordination Services Meetings (4 times).
  - c. Confederation of ASEAN and Pacific Accountants (CAPA) meeting by the MICPA Chairman and one EC member as observers.
  - d. World Accounting Standards Setters Meeting held in London attended by 5 EC members.
- Study Tours to Japan and Malaysia.
  - a. The Malaysian Study Tour organised by GIZ of Germany in co-operation with the Malaysian Institute of Accountants (MIA) and the Office of the Auditor-General of Malaysia was undertaken by 14 participants—4 each from MAC, Office of the Auditor-General and MICPA (Myanmar) and 3 from the Central Bank of Myanmar, to study the functions of MIA, MICPA and Office of the Auditor-General of Malaysia from 12-18 October 2014.
  - b. Two groups of MICPA EC members were sent out on study tour to Japan under the auspices of Daiwa to study the functions of the Stock Exchange in Japan.
- Establishment of the MICPA Secretariat.  
Arrangements have already been made to set up the MICPA Secretariat and a CEO has also been appointed as its head to run MICPA's operations more efficiently. He will also serve as a liaison for better communication between MICPA and the national accounting bodies of Asian Countries and other professional bodies, such as ACCA, ICMA, ICAEW, etc., especially in regard to closer and better co-operation on the advancement of accounting profession and education and other related subjects.





Total members: 10,594



## PICPA ACTIVITIES THROUGHOUT 2014



### Joint AFA-PICPA Conference and Induction of New AFA Officers for FY 2014-2015

The joint AFA-PICPA Accountancy and Tax Conference and Induction of AFA Officers for FY2014-2015 was held on 24-25 January 2014 in Cebu City's Marriot Hotel, Radisson Blu Hotel and Parklane Hotel, hosted by PICPA Cebu Chapter.

It was a proud moment for PICPA that Ms. Estelita C. Aguirre, PICPA Corporate Secretary and Senior Regional Director of Central Luzon Region was inducted as the new President of the ASEAN Federation of Accountants, the first lady president of AFA in this event.

The conference was attended by 350 participants nationwide. It was an exciting experience to witness the display of Cebu City's talent and traditions while learning important updates in the accountancy profession.

### Joint Annual Planning Conference and Induction of New PICPA Officers for FY 2014-2015

The Annual Planning Conference (APC) and induction of the new sets of officers for the fiscal year 2014-2015 was held on 3-5 July 2014. The two-day event was designed to introduce and update the new sets of officers with the goals of the institution for the whole fiscal year. It was during this session that the theme for the fiscal year was announced by the new President, Tita Caluya. The theme for fiscal year 2014-2015 is LEAP and BEAT the odds. (LEAD) **L** for lead, **E** for excel, **A** for advocate and **P** Participate, and (BEAT) **B** for build, **E** for energize, **A** for adapt, and **T** for transform.

During the event, the Performance Governance System was thoroughly discussed and each committee chairs, and regional officer and the chapter presidents work on their scorecard for the purpose of aligning their planned activities with the fiscal year's theme and goals.

### Accountancy Week Celebration

The annual event was held on 13-19 July 2014, 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 an 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 Hon. Grace Poe, Senator of the Republic of Philippines, as the keynote speaker.

### 69<sup>th</sup> Annual National Convention



The annual event was held on 26-29 November 2014 in Cebu City with the Cebu Chapter as the host chapter. There were 3,404 participants from all over the country representing all the four sectors of the profession.

The national convention was a time for learning and sharing among and between the country's professionals, with array of technical sessions of varying topics. One of the highlights of the affair was the session on Asean Economic Community Effect on the Accountants with IFAC Board Member Ahmadi Hadibroto the resource speaker. The keynote speaker for the annual national convention was the Hon. Cesar Purisima, the Secretary of Finance of the country. The national convention was also a time for fellowship and recognition of exemplary performance and contribution of the individual PICPA members as well as the chapters and regions.

### Other Activities and Event Throughout 2014

- Sectoral Organisation Conferences ACPAPP.
- Metro Manila Regional Conference.
- Luzon Geographical Area Conference.
- AFA 114<sup>th</sup> Council Meeting.
- Philippine Public Sector Roundtable Asian Development Bank.
- CAPA & PICPA Organised Public Sector Financial Management.
- Seminar on Quality Assurance Review (QAR).



Total members: 28,530



# ISCA ACTIVITIES THROUGHOUT 2014

## A Look at 2014

2014 was another fruitful year for ISCA with a series of initiatives that continued to build on the Institute's rebranding and transformation efforts in the earlier years.



### Official Opening of ISCA House

ISCA began the year with a bang characterized by the grand opening of ISCA House, our new home in the heart of the Central Business District (CBD). ISCA House was officially opened by Guest-of-Honour Josephine Teo, Senior Minister of State for Finance and Transport on 16 January 2014. Members now have a central location in the heart of the CBD to attend CPE courses and networking events, or to simply drop by for a cup of coffee at the spacious and welcoming Members' Lounge.

### Stronger Surveillance to Improve Financial Reporting Quality

Coinciding with the grand opening of the ISCA House was the signing of a MoU by ISCA and ACRA to mark the synergistic collaboration between both organisations to strengthen Singapore's financial reporting surveillance regime.



As accurate and reliable financial information remains a crucial growth enabler for capital markets, enhancing Singapore's financial reporting eco-system will strengthen Singapore's reputation as reliable and trusted business and investment centre.

Under the MoU, both sides will combine resources and share expertise to increase the breadth and depth of the financial reporting surveillance regime in Singapore. ISCA will share observations of its Financial Statements Review Committee on potential non-compliance in financial statements with ACRA, which will then deliberate and

*The Institute contributes to Singapore's reputation a reliable financial hub, such as through the MoU with ACRA to strengthen the financial reporting regime in the city-state.*





take enforcement action against directors under the Singapore Companies Act, if necessary.

### Enabling Members to Stay Ahead of the Curve

ISCA organised its flagship event, the Singapore Accountancy Convention 2014 from 30 July 2014 to 1 August 2014 at the Marina Bay Sands Expo and Convention Centre. Recognising the dynamism of today's world and importance to keep abreast of the developments, the Convention was themed "Staying Ahead of the Curve".

In light of a business landscape that is becoming increasingly complex and highly regulated, this year's Convention explored the pertinent issues and challenges that the profession faced. At the core of these discussions was a desire to make financial reporting and the profession as a whole, more relevant to stakeholders.

The Convention kicked off on 30 July with the Ethics Forum and the Integrated Reporting Forum, followed by the Accounting Conference and the Auditing and Assurance Conference on 31 July and 1 August respectively. The event hosted more than 1000 delegates comprising industry luminaries, distinguished guests and international delegates, over the three-day convention.

The delegates heard from prominent speakers including the Chairs of international standard-setting boards, namely Mr. Hans Hoogervorst (Chairman, International Accounting Standards Board) and Professor Arnold Schilder (Chairman, International Auditing and Assurance Standards Board), who shared their insights on issues relevant to the profession.

#### a. Ethics Forum



*Panelists examined the issues facing whistle-blowing.*

The first day of the Singapore Accountancy Convention 2014 kicked off with a topic that generated much interest in the media and the profession. In the years since the global financial crisis which led to the collapse of financial institutions and staggering losses for investors, the ethical practices of the corporate world came under increased scrutiny.

As the guardians of good corporate governance, the accountancy profession had not been spared. Professional accountants today have to deal with a multitude of challenging ethical issues from auditor independence to money-laundering.

In his opening address to the Convention's ISCA Ethics Forum on July 30, Gerard Ee, President, ISCA, said that ethics forms the foundation of professional conduct in the accountancy sector, and the profession had over the years developed a Code of Ethics to define what it means to be ethical. "Even so, mastering this aspect of our profession remains challenging as ethics is rather amorphous in nature, going beyond guidelines and structures to relate to the intrinsic personal ethical values held by each and every accountant," he said.

Recently-retired Executive Director of Professional Standards & External Relations, International Federation of Accountants, Mr. James Sylph delivered his presentation on A Global Code of Ethics while the Chairman of ISCA Ethics Committee, also Deputy Chair of IESBA and Partner, PwC, Mr. Kwok Wui San shared the Singapore perspectives.

The Asia Pacific Risk Management Leader, EY Australia, Ruth Picker, in her presentation on Auditors Independence, provided her perspective of what impartial judgment meant for auditors and whether it really existed. The Chief Financial Officer, DBS Group, in her presentation on fostering a culture of ethical behavior, gave her take on how to shape ethical behavior within an organisation.

### b. ISCA Integrated Reporting <IR> Forum

Over 280 delegates attended the ISCA <IR> Forum where leading <IR> experts shared the good progress made in the development of <IR> globally and in this region at the ISCA IR Forum.



Panelists explored the future of <IR>.

In opening the Forum, Dr Ernest Kan, Chairman of ISCA Integrated Reporting Steering Committee, and Chief-of-Operations (Clients and Markets), Deloitte & Touche, said that the <IR> Framework “constitutes the gold standard” and shared ISCA’s <IR> experience. John Labrey, Policy and Strategy Director, International Integrated Reporting Council (IIRC) gave an overview of the IIRC’s mission and an update on its progress. The crowd also heard how Hong Kong-based power company, CLP Power, committed itself to <IR>. The finale was a panel discussion on what the <IR> landscape will look like in 10 to 15 years time.

### c. ISCA Accounting Conference 2014



ISCA President Gerard Ee, in his opening address, said that ethics forms the foundation of professional conduct.



In his keynote address, ISCA Advisor Teo Ser Luck, Minister of State for Trade and Industry, urged accountants to seize the opportunities brought about by a fast-changing environment.

The second day of the Convention was dedicated to the ISCA Accounting Conference, themed “Writing a New Chapter”. In his welcome address, ISCA President Gerard Ee highlighted the differences between the various projects undertaken by the International Accounting Standards Board (IASB) to provide unbiased, transparent and relevant financial information. These projects included guidance on fair value measurement and reforms to financial instruments accounting.

Mr. Ee said Singapore-listed companies were set for full convergence with the International Financial Reporting Standards (IFRS) by 2018 and, “As accounting professionals, it is essential we keep abreast of accounting developments to stay ahead of the curve”.

In his keynote address, ISCA Advisor Teo Ser Luck, Minister of State for Trade and Industry, urged accountants to seize the opportunities brought about by a fast-changing environment. “Accounting professionals need to move beyond offering traditional statutory audit services to high value-added corporate advisory services such as business valuation, internal audit, risk management and international tax,” he said. He noted that there were opportunities for accounting professionals to take on a more strategic role, offering advice that goes beyond just the numbers, such as in the case of integrated reporting. Mr. Teo also raised the issues of audit quality and auditor reporting, which he described as a complex issue that required the collaboration of diverse stakeholders.

Mr. Michael Lim, Chairman, Singapore Accountancy Commission, and Chairman, Singapore Accounting Standards Council gave an update on the Singapore Qualification Programme (QP), which provides a structured professional development pathway for individuals aspiring to obtain the Chartered Accountant of Singapore [CA (Singapore)] designation.

Next, Mr. Hans Hoogervorst, Chairman, International Accounting Standards Board (IASB), gave his assessment on efforts to update the Conceptual Framework to pave the way for developing a uniform set of global accounting standards. The project aims to improve financial reporting by providing IASB with a complete and updated set of concepts to use when it develops or revises standards.

In addressing complexities of the business world, Mr. Shariq Barmaky, Deputy Chairman, ISCA Auditing and Assurance Standards Committee, and Partner, Deloitte & Touche, spoke on the practical challenges posed by the new consolidation accounting standards.

A financial reporting expert in IFRS and US GAAP, Dr Barry Jay Epstein, gave an update on the recently-completed IFRS standard on Revenue Recognition and Financial Instruments as well as the outstanding convergence project on Accounting for Leases.

#### **d. ISCA Auditing and Assurance Conference 2014**

Themed “Staying Relevant while Rooted in Quality”, the third and final day of the Convention was dedicated to the auditing and assurance profession.

In his welcome address, Mr. Lee Fook Chiew, Chief Executive Officer, ISCA, said that an audit remains the only means of carrying out an independent examination of financial statements with reasonable assurance. He said, “Without an assurance from an audit, investors and other interested parties would have to deal with an increased level of accounting risk”.

Mr. Kenneth Yap, Chief Executive, Accounting and Corporate Regulatory Authority (ACRA), announced that ACRA would raise the bar for Public Accountants, with effect from February 2015, in order to ensure the quality of the audit. He said that, “we consider that, among the requirements to register as a Public Accountant, the “experience” component is perhaps the most crucial. It is the distinguishing factor between a qualified accountant, and one who is ready to discharge a higher calling as a Public Accountant upholding the public interest.”



Lee Fook Chiew, Chief Executive Officer, Institute of Singapore Chartered Accountants reiterated the essential role of audit.



Kenneth Yap, Chief Executive, Accounting and Corporate Regulatory Authority, announced new requirements for Public Accountants.

In Segment One, “Staying on the Cutting Edge: The Road Ahead for the Auditing Profession”, Professor Arnold Schilder, Chairman, International Auditing and Assurance Standards Board (IAASB), gave delegates an overview of the changing audit landscape. He noted that the global financial crisis had triggered many questions regarding the relevance of the audit process.

Professor Schilder explained that while the audit opinion was valued, auditors have obtained a lot of useful information about a company that investors would want to know about.

Mr. Yeoh Oon Jin, Chairman, ISCA Auditing and Assurance Standards Committee (AASC), and Executive Chairman, PwC Singapore, agreed that stakeholders have asked auditors to share the insights they have gleaned through an enhanced auditor’s report. One key proposal was a new section known as Key Audit Matters which allows auditors to communicate publicly those matters that, in the auditor’s judgment, were of most significance in the audit of the financial statements of the current period.

Following, Professor Ho Yew Kee, ISCA Council Member, and Head of the Department of Accounting, NUS Business School, National University of Singapore (NUS), presented the findings of a survey that sought to gauge, among other things, the level of awareness, perceptions and challenges of the Proposed Enhanced Independent Auditor’s Report (PEIAR).

Mr. Robert Hodgkinson, Executive Director, Technical, Institute of Chartered Accountants in England and Wales (ICAEW), then inspired the audience by urging the profession to raise its aspirations. “We should be making radical changes, but we should also have a higher aspiration than just staying relevant. If we state those aspirations in an open way, then of course radical changes are required,” he said.



Panelist explored the constant dilemma of staying relevant.

The second half of the Conference focused on audit quality and professional skepticism. The Deputy Chief Executive of ACRA, Ms Julia Tay gave participants an overview of the regulator's efforts to improve audit quality in Singapore. She touched on the areas where ACRA contributed to IAASB's Framework on Audit Quality, which was published in February 2014. "The (IAASB's) Framework is consistent with ACRA's view that audit quality does not rest with auditors alone. ACRA firmly believes that all stakeholders in the financial reporting ecosystem have a role in contributing to audit quality" she said and rounded her presentation."

Related to the topic of fraud was the need for auditors to have a higher level of professional skepticism. Mr. Ralph Nach, a consulting Expert and Technical Advisor on Litigation and Financial Forensics, and CEO of SmartSkill LLC, said that the exercise of professional skepticism was fundamental to the successful performance of auditors in discharging their responsibilities.

The last panel session of the Convention saw panelists discussing the question of whom auditors ultimately serve, and how to get the management of companies to appreciate the value of the audit.

### Singapore Accountancy Awards 2014



One of the winners with the Guest-of-Honor, ISCA President and ISCA CEO.

ISCA organised its inaugural Singapore Accountancy Awards (SAA) 2014, the first awards of its kind for the local accountancy sector to recognise business and individual excellence, promote good practices, and strengthen branding of the profession and industry. Supported by ACRA and SAC, the Awards comprised two main categories – Individual Excellence Awards and Business Excellence Awards.

The recipients of the SAA 2014 were unveiled at an Awards Dinner on July 30. Held in conjunction with the Singapore Accountancy Convention, the Awards Dinner saw four individuals and seven accounting firms conferred the Singapore Accountancy Awards before a ballroom of close to 700 distinguished guests and participants.

Joining Guest-of-Honour Josephine Teo, Senior Minister of State for Finance and Transport, were luminaries including Michael Lim, Chairman, Singapore Accountancy Commission (SAC) and Singapore Accounting Standards Council; Chua Geok Wah, Accountant-General, Accountant-General's Department; Kenneth Yap, Chief Executive, Accounting and Corporate Regulatory Authority (ACRA); Professor Arnold Schilder, Chairman, International Auditing and Assurance Standards Board, and Gerard Ee, ISCA President.

### ISCA Ethics Committee



The ISCA Ethics Committee was re-constituted to provide guidance to members on matters relating to ethics and professional conduct. Its focus included revising the ISCA Code of Professional Conduct and Ethics in line with Code of Ethics for Professional Accountants issued by the International Ethics Standards for Accountants and contributing guidance on the interpretation of the Code, amongst others.

Chaired by Mr. Kwok Wui San who is the Deputy Chair of IESBA and Partner PwC, the ISCA Ethics Committee comprised members from various accounting firms, a law firm and the securities investors' association. It also has observers from the regulatory side such as the Accounting and Corporate Regulatory Authority (ACRA) and Singapore Exchange (SGX).

### ISCA Anti-Money Laundering (AML) Seminar - New Requirements for Professional Accountants

On 29 October 2014, ISCA issued an Ethics Pronouncement, EP 200 (*Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore*), which provided relevant requirements and guidelines for members to establish sound and robust AML and Countering the Financing of Terrorism (CFT) systems, controls and measures in order to mitigate the risk of dealing with clients involved in money laundering or terrorist financing activities. This pronouncement was adopted by the Accounting and Corporate Regulatory Authority (ACRA) with effect from 1 November 2014 and will be applicable to public accountants and accounting entities registered under the Accountants Act who are regulated by ACRA.

To help members better understand the pronouncement, ISCA organised an AML Seminar in partnership with the Accounting and Corporate Regulatory Authority and the Singapore Exchange on 11 November 2014. The well-received seminar was attended by 250 professional accountants with two distinguished speakers who shared on the existing anti-money laundering regime, suspicious transactions indicators and issues relevant to the accountancy sector as well as to discuss the new requirements of EP 200 that professional firms should have in place.

This seminar demonstrated the commitment of ISCA in playing a leading role to guide the accountancy profession to contribute to Singapore's efforts to combat AML and CFT. Going forward, ISCA will develop relevant toolkits to support the profession in this area.

### Singapore Qualification Programme

ISCA has worked closely with the Singapore Accountancy Commission (SAC) to administer the Singapore Qualification Programme (Singapore QP). Demonstrating this successful partnership, the Singapore QP had received its third intake of candidates since its launch in June 2013.

ISCA also worked closely with SAC to support the Accredited Training Organisations (ATOs) and candidates in their Singapore QP journey. More than two hundred employers have since joined the Singapore QP as ATOs to train candidates and guide them through the practical experience requirements.

## A Member-Centric Institute

To welcome our new members, ISCA New Members' Night was introduced as a quarterly event at the ISCA House. Beyond just a welcome session, it also provided an ideal networking platform for members. More importantly, this event helped to develop closer engagement and identification with ISCA at the start of a new member's life in ISCA.

The event was well received with attendance of more than 250 new members who rated the event an average of above 4 out of 5 point scale.

As a member-centric Institute, ISCA focused on delivering value to members. Through its Industry Development Division together with Technical Knowledge Centre and Quality Assurance Division, the Institute had launched several initiatives targeted at raising the productivity and capabilities of the profession.

### a. Raising Productivity for the Accountancy Sector

ISCA introduced the following initiatives to help members further raise their productivity:

- Increased technology adoption, e.g. Introduction of Cloud-based practice management system
- Development of human capital capabilities, e.g. Introduction of Enterprise Training Support (ETS) Scheme to help build in-house HR infrastructure
- Enhanced business capabilities, e.g. Organisation of business mission trips
- Quality assurance, e.g. Assistance in developing the firm's Quality Control Manual

The Institute released the findings of the 2<sup>nd</sup> ISCA Productivity Scorecard and Benchmarking Survey Report for the Accountancy Sector. The participation numbers in the second study increased by 75% for PAIBs and 20% for practice firms. This allowed for a more representative comparison. Members found the study useful as they are now able to measure the performance of their practice firms or finance functions against Singapore and global benchmarks.

Figure 1: ISCA Initiatives for Public Accounting Firms at a Glance



**b. Centralised Knowledge Centre (formerly known as Technical Knowledge Centre)**

Through the Centralised Knowledge Centre, members are now able to gain access to relevant and useful technical and business-related contents covering Financial Reporting, Auditing and Assurance, Ethics, Corporate Governance, Integrated Reporting, Business Management and Business Valuation. This enriched platform is aimed at empowering members with knowledge and helping them stay updated with the latest developments in various disciplines. In addition, it also keeps members informed of the Institute's advocacy efforts on issues relevant to the accountancy profession.

**c. Research and Thought Leadership**

The Institute's earlier investment in building up the Institute's research and thought leadership capabilities is now beginning to pay off with more awareness in ISCA's research and thought leadership.

For instance, ISCA collaborated with the National University of Singapore (NUS), a top ranking leading global university, and jointly published two research studies which were showcased at the Convention. The collaboration helped to further raise the standing of ISCA and further positioned us as a credible thought leader.

Another noteworthy collaboration is the SID-ISCA Singapore Directorship Report that was jointly conducted by SID & ISCA and in partnership with local analytics start-up Handshakes, Nanyang Business School, NUS Business School and Deloitte and supported by Singapore Exchange. The Report was well received and attracted significant media attention.



ISCA continued to cultivate market awareness of the Institute's thought leadership capabilities by pushing out 11 articles on credible media platforms on IFAC Gateway and Business Times. The ISCA articles/ and commentaries were valuable in helping ISCA to keep mindshare amongst the general public.

**d. Technical Clinics**

A total of sixteen clinics was held in 2014, with majority fully subscribed. We received good feedback from members on the quality of the technical clinics.

*"... looking forward to the next technical clinic... constructive and meaningful discussion... first experience with technical clinic- very effective..."*

**e. Online Technical Forum**

To date, more than 500 members registered for the forum and views per thread had hit as high as 1,387.

**f. Continuing Professional Education**

To ensure that members have access to the latest updates in professional development, the Institute introduced over 100 new CPE courses last year.

#### **g. Developing CFO Talents (PAIBs Initiatives)**

To assist PAIB members in keeping abreast of developments and to equip them with multi-disciplinary skills as well as provide opportunities for career guidance and enhancement, ISCA organized the following platforms:

- ISCA-UOB Quarterly Economic Updates to provide updates on economic developments in the region that could potentially impact businesses.
- Industry-specific special interest groups.
- Productivity Seminar to share with members productivity-centric initiatives and government assistance schemes.
- Human Capital Seminar to help members develop human resource capabilities.
- Technology Showcase to provide members with the latest information about technological changes, updates and best practices.

### **ISCA's International Footprint**

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In 2014, ISCA continued to build and develop international relations by actively engaging regional and international organisations, participating in international events and forging collaborations with key bodies.

#### **International Speaking Engagements**

Following the successful rebranding of the Institute, the number of speaking engagements that ISCA received, rose from 1 in 2012 to 6 in 2014. This included speaking engagements at AFA Conferences held in Indonesia, Laos and Philippines, MIA International Accountants Conference in Malaysia as well as Chartered Accountants Worldwide (CAW) event in Rome. This reflected the heightened international awareness of ISCA as a progressive professional accountancy body.

ISCA will continue to cultivate international relations to promote the Institute as a reputable and respected national accountancy body.

#### **International Partnership to Enhance Members' Career Mobility**

On 16 January 2014, ISCA signed a Memorandum of Understanding (MoU) with the Institute of Chartered Accountants in England and Wales (ICAEW) to establish the ICAEW-ISCA Pathways to Membership scheme.

The ICAEW-ISCA Pathways to Membership scheme will run for two years between January 2014 and December 2015 and enables ISCA members who meet the entry requirements to become an ICAEW Chartered Accountant. Under the scheme, ISCA members who meet the entry requirements can become an ICAEW Chartered Accountant which is a highly respected, globally respected designation. This is in line with ISCA's vision to be a globally recognized PAO and it signals the strong endorsement from ICAEW on ISCA members.

During the year, ISCA, together with the Singapore Accountancy Commission (SAC), went on to sign an Expression of Intent (EOI) with other chartered accountancy bodies to explore reciprocity of membership. The EOIs represented another step forward to attain global recognition for our members, bringing them more opportunities worldwide. These included:

- An Expression of Intent (EOI) with the amalgamated Institute of Chartered Accountants in Australia and New Zealand Institute of Chartered Accountants (now known Chartered Accountants Australia and New Zealand "CAANZ") on April 2; and
- An EOI with the Institute of Chartered Accountants of Scotland on June 25.

## ISCA's Growing Profile Draws International Accountancy Professionals

Reaping the fruits of our rebranding efforts, ISCA saw a hike in international visitor requests.

In 2014, ISCA played host to the professors and students from Rangsit University, Thailand in January. Both professional bodies had a fruitful exchange on the current developments in the accountancy profession in Singapore and Thailand.



ISCA COO Goh Puay Cheh (row 1, 6th from right); Rangsit University Accountancy Faculty Dean Dr. Nimnual Visedsun (row 1, 5th, from right), with Thai delegates and members of the ISCA Examinations and Qualification, and International Development/Relations departments.

In the same month of January, SIATP hosted a delegation from the Taipei City Tax Attorney Association. In an open discussion led by SIATP Chairman, Dr Ernest Kan, and his counterpart Charles Chen, the tax scene in both countries was discussed.

In February, ISCA team hosted Mr. Nagoya Sangyo, a University professor from Japan and assisted in his research study on "Accounting and Culture across ASEAN".

ISCA received a courtesy call from the President of National Association of State Boards of Accountancy (NASBA), Dr Carlos Johnson, supported by Mr. James Suh, Director, Continuous Improvement & Analytics, NASBA. Both ISCA and NASBA, through a valuable exchange, developed a deeper understanding of the accountancy ecosystems in Singapore and the United States. "I was very impressed to learn about the impressive changes your organisation and the accounting profession in Singapore are implementing in the coming years", said Mr. James Suh, Director, Continuous Improvement & Analytics, NASBA.

In the month of May, ISCA hosted professors and students from Khon Kaen University, Thailand as well as the Malaysia Institute of Accountants and shared on the Institute's experiences on developing and administering the Singapore QP

In October, Mr. Russell Guthrie, Executive Director, Professional Relations and Chief Financial Officer, and Mr. Gary Pflugrath, Director, Public Policy & regulation called on ISCA as part of their Asia tour to solicit views on issues that may impact accountancy profession. Japan and Hong Kong were the other two countries included in the Asia tour.

## ACCA-ISCA Business Study Trip to Myanmar



Singapore delegates in a meeting with members of the Myanmar Institute of Certified Public Accountants

The Association of Chartered Certified Accountants (ACCA) and ISCA, with the support of SPRING Singapore, co-organised a three-day business study mission to Yangon, Myanmar, in October 2014. This was the first time that the three parties had come together to organise a mission for accounting firms. The response was encouraging, with the participation of 20 delegates from 16 firms.

The objectives of the trip were to allow participants to better understand the Myanmar business environment and explore potential for collaboration with Myanmar accounting firms or businesses.



FEDERATION OF  
ACCOUNTING PROFESSIONS  
(FAP)

Total members: 63,691



# FAP ACTIVITIES THROUGHOUT 2014

## Appointment of Foreign Affairs Subcommittee and Monitoring Committee

The Federation of Accounting Professions Board has appointed the Foreign Affairs Subcommittee on 17 November 2014. The purpose is to study and follow the international activities to prepare for the AEC, and to comply with the applicability of the international agreement on the accounting professions.

Following the 15<sup>th</sup> meeting of the Professional Regulatory Authorities of the MRA on Accountancy (MRA) on 23 September 2014 in Indonesia, Federation of Accounting professions (FAP) – the National Accountancy Body (NAB) and as assigned by the Oversight Committee on Accounting Professions, Ministry of Commerce of Thailand – the Professional Regulatory Authority (PRA) of Thailand, has appointed Thailand Monitoring Committee to carry out roles and responsibilities according to MRA.



## The National Conference of Accountants

The 19<sup>th</sup> National Conference of Accountants “2020s... Where We Are... Roles of Accountants in the Next Decade” was held by FAP during 1-2 September 2014. There were more than 1,400 Thai accountants and representatives from related organisations participated in the event. The Conference highlighted the theme and enhanced the knowledge to prepare Thai accountants to be able to support the growth of the business and adapt to any future changes.



## Young CFO Certification Program

Young CFO Certification Program held during March and May 2014. The objective is to prepare professional accountants aspiring to become CFO. The program highlighted valuable insights into practices that are being adopted by CFOs globally, and provided useful forum for networking and sharing experiences. Delegates were able to contribute to numerous group discussions, as well as drawing upon the extensive experiences of each other and the guest speakers.

## Audit Committee Seminar

Audit Committee seminar was held on 22 May 2014. This seminar was co-organised by FAP, the Stock Exchange of Thailand (SET), the Securities and Exchange Commission of Thailand (SEC) and Thai Institute of Directors (IOD) under topic "Audit Committee financial expert". The highlight of this seminar was about the role of audit committees especially to review the integrity of the financial statements of the company and significant financial reporting judgements and to review the company's internal control and risk assessment.

## Quality Assurance of Training Providers

From January to May 2014, the seminar and training supervisory department visited a number of training providers to ensure the quality and completeness of trainings and seminars provided to participants. The result of visiting was satisfactory. Most of the training providers begin the session as per scheduled, certificate or training documents were properly given to the attendees and the content of the seminar was consistent with topics in brochures published. We plan to continue visiting other training providers on a regular basis.

## The 2<sup>nd</sup> Thailand Accounting Challenge

The 2<sup>nd</sup> Thailand Accounting Challenge competition was held on 29 March 2014 with 126 teams from 64 universities all over the country participated. The objective of this competition is to be a stage for students studying in accounting to show their potential and to perform their competence.



## Collaboration with other Organisations

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### E-Accountant System

FAP and Department of Business Development (DBD), Ministry of Commerce, has launched an online “e-Accountant” system which integrates accountants’ data of DBD and FAP database. This system will improve the accuracy of the database as well as increase the efficiency as accountants will only have to contact one agency, instead of two (DBD and FAP).

### “Capital Market Auditors” Project

FAP and the Securities and Exchange Commission (SEC) are working together on a capacity building project to increase the number of SEC approved-auditors. The project aims to support small and medium enterprises (SMEs) with a potential to raise fund through capital market and is expected to help enhance Thailand’s readiness to compete at the regional and global levels.

### International Visits

The members of the Accounting Education and Technology Committee visited the university, the accounting organisation, and the auditing firms (Big4) in three countries: Hong Kong, Taiwan, and South Korea. These visits really benefit the FAP in many ways especially in education.

## Updates on International Standards

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### Financial Reporting

The version of Thai Financial Reporting Standards (TFRS) was prepared in accordance with the 2012 edition of the Bound Volume of International Financial Reporting Standards and effective on 1 January 2014. At present, Thai Accounting Standard (TAS)/TFRS, Interpretation, Guideline are being updated in accordance with IFRS Bound volume 2013, target implementation 1 January 2015, except for the adoption of standards relating to financial instruments and agriculture which are deferred for various reasons. IFRS for SMEs is on the process of reviewing the effects and setting implementation plan.

The comment letters on IASB’s exposure drafts, for example, on IFRS for SMEs, IFRS 5, IAS 17, IAS 19, IAS 27, IAS 34, have been developed through the International Financial Report Standards Monitoring Sub-Committee and the Accounting Standards-Setting Committee.

### Auditing

Thailand has fully complied with all international auditing standards, except the following which are now in the process of translation into Thai;

1. International Standard on Review Engagements 2400 (Revised): Engagements to Review Historical Financial Statements.
2. International Standard on Related Services 4410 (Revised), Compilation Engagements.
3. International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The new and revised IAASB's standards, for example, ISAE 3420, ISA 315, ISA 610 and IAPN 1000, have been translated into Thai with the approval from IFAC.

The Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements 2010 and Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities, Volume 1 – Core Concepts translated into Thai and approved by IFAC, are now available for sale in printed version.

### **International Good Practice Guidance**

The International Good Practice Guidance prepared by IFAC's PAIB Committee has been translated into Thai. The translated versions of Evaluating and Improving Internal Control in Organisations and Evaluating and Improving Governance in Organisations are now ready to publish in the form of a good practice handbook for professional accountants.

### **International Education Standard**

In February, a Thai translation of IES6: Initial Professional Development – Assessment of Professional Competence was approved by the International Federation of Accountants (IFAC) and officially published on FAP's website.



*Illustration*



Total members: 8.000



# VAA ACTIVITIES THROUGHOUT 2014

## Quality Control of Accounting Services

- VAA have controlled 88 accounting enterprises with 211 accounting practitioners up to this time.
- From June 2014, VAA have inspected 14 accounting enterprises.

## Training Activities

- VAA held 5 courses for accounting practitioners about new tax and accounting, auditing policies.
- In July and August 2014, VAA held 3 accounting courses for SMEs.
- VAA hold 8 courses for Chief Accountants and 1 course for candidates in the CPA exam 2014.

## The Accounting and Auditing Review

VAA have published the Accounting and Auditing review with 5.000 issues monthly.



Illustration

## Other Activities

- VAA and State Audit held the workshop about the Satate Audit Law in September 2014.
- VAA and VUSTA held the Seminar about the draft of 8 Vietnam Accounting Standards in October 2014.
- VAA has continued participated in the Accounting Standards Board (MOF) for researching and elaborating news accounting standards.
- Advisory work: VAA assisted at the Editing Board for accounting law by Ministry of finance; VAA have contributed opinions for Civil law project, Land law project, Enterprise law project.
- VAA have met with CAPA, CPA Australia, ACCA, ICAEW in Ha Noi.
- The Ministry of Finance is prepering to hold the CPA examination 2014. VAA have 2 delegates paticipate in the exam board.
- VAA is elaborating the project "Vietnam Federation of Accounting and Auditors" With the agreement of Vietnam MOF, VAA will become the Federation of Accounting and Auditors in the future.



Total members: 155,000

# CPA AUSTRALIA ACTIVITIES THROUGHOUT 2014

With over 155,000 members worldwide and approximately 40,000 in the South East Asian region CPA Australia has a very long and proud history with AFA. We share the passion and culture of AFA for furthering the development of the accounting profession across the ASEAN region.

## CPA Australia 60 Years in Singapore



CPA Australia celebrated a major milestone in 2014 - 60 Years in Singapore – with a wealth of activities throughout the year. These culminated in several major events in the second half of the year. The annual flagship CPA Congress in Singapore was held on 8 October 2014. More than 300 participants joined the CPA Congress, at which the guest of honour was Mr. Michael Lim, Chairman, Singapore Accountancy Commission. Participants were given insights into thought-leading topics such as visionary leadership in finance and business, balancing big data, disruptive innovation and base-erosion and profit-shifting (BEPS).

A Gala Dinner was also held on 8 October 2014, honouring the pioneers of CPA Australia in Singapore as well as the current members who are in the prime of their professional careers. More than 200 key stakeholders joined the celebrations, together with Mrs. Josephine Teo, Singapore Senior Minister of State for Finance, who was guest of honour. CPA Australia also launched a commemoration book entitled “CPA Australia – Our Singapore Story” and an anniversary video to mark the occasion and celebrate our members’ achievements over the last six decades.

### Accounting Job-seekers Throng Careers @Singapore 2014, January 2014



More than 650 job-seekers seized the chance to meet potential employers at the Careers@Singapore fair for the financial and accounting services industry on Saturday 18 January 2014. They came in search of job opportunities and career advice from 12 employers, including Big 4 and mid-tier public accounting firms, that participated in the event.

### CPA Forum: Financial Reporting, Singapore, May 2014

More than 200 participants attended the annual one-day CPA Forum on Financial Reporting, which provided a practical focus on financial reporting standards and how to apply developing and upcoming changes to company financial statements. Leveraging on the technical resources of the Accounting Standards Council, banking giant DBS, and major accounting firms Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers, the CPA Forum covered significant changes in accounting standards and their implications in the preparation and audit of financial statements.

### CPA Forum 2014: Quality Governance – Your Strategic Edge, 24 July 2014

To help companies gain a strategic edge through better governance standards, CPA Australia organised the CPA Forum – Governance conference in partnership with NUS-CGIO and The Business Times. The event provided a platform to announce the 6th ranking of the annual Governance and Transparency Index (GTI), sponsored by CPA Australia. The GTI is a thought-leading initiative that assesses the governance and transparency practices of more than 700 companies listed on the Singapore Exchange. The top five ranked companies of the GTI were given awards for their work in up-



holding the highest standards of governance. The event also included a panel discussion comprising corporate leaders who debated the hottest issues on corporate governance. More than 100 participants from multinational corporations, SMEs and the media attended the session.

### CFO Connect, 28 August 2014



To connect and engage those at the apex of finance functions in companies, CPA Australia partnered with the Singapore CFO Institute to organise the annual signature CFO Connect Symposium in August 2014. The event brought together 200 CFOs and other C-suite executives to discuss key issues on predictive finance, integrated reporting, financial analytics and corporate reporting. This event has become the signature conference and networking platform for those who head finance functions in companies in Singapore.

### International Accountants Day, 6 November 2014

CPA Australia jointly organised the third annual International Accountants Day celebration on 6 November 2014, in partnership with the Singapore Accountancy Commission and the local national body, the Institute of Singapore Chartered Accountants (ISCA). The event saw more than 3,000 participants gather at the iconic Marina Bay in downtown Singapore and provided accountants with an opportunity to celebrate the work of the profession and give back to the community.





The carnival atmosphere boasted street games with charity organisations, activities for the profession to celebrate Singapore's 50th birthday as a nation, as well as band performances and lots of food. The event was well attended by staff from the Big 4 accounting firms, small to mid-tier accounting practices, professional bodies, tertiary institutions and other major corporations. 14 charities also joined in to raise awareness of their causes.

### **CPA Australia inks MoU with the Malaysian Institute of Accountants**

On 7 May 2014, CPA Australia and the Malaysian Institute of Accountants (MIA) entered into a Memorandum of Understanding (MoU) to further develop the relationship between the two bodies. Building on the already close relationship between the two bodies, this new MoU enables MIA members who have served the profession for more than 10 years in a senior capacity, to further enhance their credentials by obtaining the CPA designation. The term of this MoU is valid until 31 January 2015 and it will be revisited for possible renewal near the end of the term. The key area of cooperation identified under the MoU is the commitment given by MIA to encourage its members to take up the CPA Program. By taking up the program, an MIA member will receive recognition as an Associate Member of CPA Australia and the opportunity to obtain full membership status by completing three examination papers.



*Caption: Pictured from left Ho Foong Moi, Chief Executive MIA, Datuk Zaiton binti Mohd. Hassan Vice President MIA, Penny Egan, 2014 President CPA Australia, Alex Malley, Chief Executive CPA Australia*

## GST

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The Malaysian Government proposes to introduce a Goods and Services Tax from 1 April 2015. The proposed rate of GST will be 6 per cent on taxable supplies.

CPA Australia is providing support to members and the general public through various means including training workshops in a number of states throughout the country and a dedicated page on Malaysia's GST on the CPA Australia website which is available to the public. A Tax Task Force comprising industry experts has also been set up to solicit advice on current updates that would impact our members and the profession in general.

### **CPA Australia's Guides for Listed Companies Repurposed for Malaysia**

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CPA Australia's *Guide to Understanding Annual Reports: Listed Companies* and *Guide to Understanding Auditing and Assurance: Listed Companies* were repurposed for Malaysian listed companies with the collaborative input of the Malaysian Institute of Accountants (MIA). The guides were made available free online on 30 September 2014.

The guides are intended to help existing as well as prospective investors and users of financial statements make better informed investment decisions to build the financial literacy skills they need to become more active and engaged shareholders.

The *Guide to Understanding Annual Reports: Listed Companies* provides an explanatory overview of annual reports, financial statements and analytical tools as well as a glossary of financial terminology, while the *Guide to Understanding Auditing and Assurance: Listed Companies* is a simple, plain language guide for shareholders who are not experts in auditing and assurance and who wish to better understand information they receive from auditors about their companies.

### **Supporting Ministry of Finance in Improving Accounting Law, January 2014**

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CPA Australia Hanoi and the Ministry of Finance co-organized a workshop to share practices and perspectives of the revision of its accounting law. The workshop was led by Dr Eva Tsahuridu, CPA Australia's Team Leader - Accounting Policy. Attendees learnt about the Australian accounting regulatory framework and the regulation of the profession including use of fair value, records and documents, financial reporting, public practice, CPA Australia's quality review program conduct and discipline.

<http://www.itbdigital.com/opinion/2014/01/28/cpa-australia-helps-shape-the-future-of-vietnamese-accounting-law/>

### **CPA Australia Shares Lessons of Success with Vietnam Association of Accountants and Auditors (VAA), April 2014**

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Ms Kerry Mayne, CPA Australia's General Manager Employer Development & Public Sector Engagement, participated in significant events hosted by the VAA. Kerry delivered a welcome speech at VAA's 20th Anniversary and 5th Congress and addressed VAA's workshop on "Improving technical capacity of accounting professional bodies".

The two events were attended by a total of over 600 participants, including VAA members, and representatives from state entities, international auditing firms and associations, and local academic institutions nationwide. The Congress welcomed the presence of Madam Nguyen Thi Doan, Vice President, Socialist Republics of Vietnam and Mr. Nguyen Cong Nghiep, Deputy Minister of Finance, Ministry of Finance.

[http://mof.gov.vn/portal/page/portal/mof\\_vn/ttsk/3312584?pers\\_id=2177092&item\\_id=126441662&p\\_details=1](http://mof.gov.vn/portal/page/portal/mof_vn/ttsk/3312584?pers_id=2177092&item_id=126441662&p_details=1)

## **IFRS Workshop co-hosted by CPA Australia and VACPA, 12 August 2014**

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CPA Australia, in partnership with the Vietnam Association of Certified Public Accountants (VACPA), hosted a workshop on International Financial Reporting Standards (IFRS) in Hanoi on 12 August 2014.

Professor Brendan O'Connell FCPA (Aust.), Associate Head, Industry Engagement, School of Accounting, RMIT University, was the key speaker at the workshop. Professor O'Connell spoke on *"IFRSs: the State of Play Globally and Overview of Evidence of the Effectiveness of Convergence to Date"* and received very positive feedback from the audience.

## **CFO Event: The Role of CFO in Leadership, Strategy and Business, 7 October 2014**

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CPA Australia hosted a workshop *"The CFO's role in leadership, strategy and business"* in Hanoi on 7 October 2014. The line-up of speakers for this prestigious, first-time event included CPA Australia's CFO & COO Commercial, Mr. Adam Awty, the Deputy General Director & CFO of Vietnam's Standard Chartered Bank, Mr. Benjamin Choi; and Mr. Tran Phu Son, Audit Partner of EY Vietnam as the facilitator.

Approximately 50 CFOs, CEOs and finance directors from local and international auditing firms and banks attended and explored some of the pertinent leadership, strategy and business issues that they are facing in their changing roles.

## **The 2<sup>nd</sup> Joint Seminar Event held by CPA Australia and The Training Centre of the Auditory Board of the Republic of Indonesia**

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Following the success of the inaugural Joint Seminar between CPA Australia and the Auditory Board of the Training Centre of the Republic of Indonesia, CPA Australia proudly presented the 2nd Joint Seminar held on 12th of February 2014. The topic for the seminar was *"Enhancing Organisational Integrity: What is the role of Whistleblowing?"*

The purpose of the seminar was to increase the engagement between and deliver beneficial contributions to the regulatory bodies in Indonesia. The Auditory Board of the Republic of Indonesia found the presentation from Dr. Eva Tshuridu useful in helping them strengthen their new fraud control system (SIKENCUR). The Auditory Board is the original regulatory body in Indonesia and is launching the fraud control system which will soon also be applied for other departments and regulatory bodies.

## **International Conference on Governance (ICG) 2014**

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CPA Australia was one of the key contributors and technical partner for the 2nd International Conference on Governance (ICG) which was held by the Accounting Department, Faculty of Economics, Trisakti University, one of the prominent private universities in Indonesia.

Dr Eva Tshuridu represented CPA Australia and delivered her plenary speech on 'Good Governance: The Foundation for Sustainable Growth'. The conference was dedicated to the advancement of knowledge and the practice of good governance and sustainable development.

## CPA Australia Accounting Competition 2014

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CPA Australia held the second CPA Australia Accounting Competition on Saturday, 22 March 2014 at Indonesia's Science Institute (LIPI) building in Jakarta. The competition is the pioneer competitive event held by an accounting association in Indonesia and was attended by 20 teams representing 14 prominent private and public universities in the greater Jakarta area.

Through the competition CPA Australia motivates and also helps to prepare the young generation for successful careers. The three top teams were awarded scholarships for the Foundation Level exams of CPA Australia. These scholarships will encourage the winners to continue to develop knowledge and skills that will be useful for their future career, and will motivate prospective accountants in Indonesia to achieve their best.

## Engagement with Universities and Stakeholders

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In October 2014 Mr. Adam Awty, CFO & COO Commercial, CPA Australia, delivered public lectures to accounting students at Tarumanagara University, Jakarta, and Catholic University of Indonesia Atma Jaya, Jakarta. The topic of the lecture was: *"How international designations will take part in the ASEAN Economic Community (AEC) in 2015"*.

Adam was also interviewed on this topic for a Business Dialogue, Economic Outlook program which screened on Bloomberg TV - Indonesia.

## International Accounting Conference, 24-26 November 2014

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CPA Australia participated in the 5th International Accounting Conference and the 2nd Accounting Students Research Forum held by the Faculty of Economics, University of Indonesia from 24 to 26 November 2014. The theme of the conference was *"The Accounting Profession towards ASEAN Economic Community (AEC)"*.

Mr. David Adams CPA (Aust.), Chief Financial Officer of PT Pengembang Pelabuhan Indonesia, participated in a panel discussion about how international designations will take part in the ASEAN Economic Community (AEC) in 2015. There is a growing awareness of the important role that professional certifications will play in the AEC and this led to a positive response to the discussion and lots of interaction with the panel.

The other speakers on the panel were Mr. Hartanto Reksodiputro, Former Secretary General of Ministry of Trade Republic of Indonesia; Dr Mohammad Naim Yaakub, Director General of the Colombo Plan Staff College; Ms Megawati Santoso, PhD, Team Directorate General of Indonesian Higher Education, Ministry of Higher Education and Research Republic of Indonesia; and Ms Lucy Tjahjadi, CEO Cargill.



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

Total members: 100,000

# CAANZ ACTIVITIES THROUGHOUT 2014

## New Organisation



The Institute of Chartered Accountants Australia and the New Zealand Institute of Chartered Accountants have now formally amalgamated to become Chartered Accountants Australia and New Zealand. This new global organisation will continue to be strengthened through our advocacy, thought leadership and improved education strategies. Chartered Accountants Australia and New Zealand is made up of over 100,000 diverse, talented and financially astute professionals who utilise their skills every day to make a difference for businesses the world over. Members of Chartered Accountants Australia and New Zealand and are known for professional integrity, principled judgment and financial discipline, and a forward-looking approach to business. We focus on the education and lifelong learning of members, and engage in advocacy and thought leadership in areas that impact the economy and domestic and international capital markets.



## Leadership

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On behalf of our members in 2014 we made 233 submissions which have impacted the outcome of policies affecting individuals and business. This will continue in 2015 as we utilise our global voice.

Positioning Chartered Accountants as thought leaders is a core imperative. In 2014 through our thought leadership discussion forum, *future[inc]*, Chartered Accountants Australia and New Zealand uses our strong strategic policy analysis and leadership to start timely and necessary discussions on our national and global futures.

In 2014 we started the debate on critical issues including how New Zealand and Australia can maintain growth in the face of international competition and global megatrends. We also released thought leadership on key topics that businesses globally will be facing, including cyber security and rethinking how we measure the success of a nation and how this impacts the way society, government and businesses capture this for their future needs. In 2015 we will look at a range of topical issues including the rise of digital currencies, diversity and leadership and food, farming and our future.

## Lifelong Learning and Events

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Our members had thousands of learning opportunities and networking events which enabled them to be at the cutting edge of business. More will be on offer in 2015, and we're extending the range and value of those learning opportunities.

The Chartered Accountants Australia and New Zealand 2015 Conferences recognise that continuous learning is the foundation of ongoing success. Our suite of nine conferences – covering the full spectrum of finance disciplines – will sharpen our members' technical skills, keep them on top of the latest industry changes, and develop their leadership capabilities.

They will also provide them with the one thing that only a conference can provide – the opportunity to connect with and learn from industry colleagues face-to-face.

3,800 people received the CA designation in 2014. This will grow as we focus on raising the CA brand globally. Chartered Accountants Australia and New Zealand is also providing more support to our members across the globe. During 2015 we will open offices to support our members in Singapore, Hong Kong, Kuala Lumpur and London.



Total members: 162,000

# ACCA ACTIVITIES THROUGHOUT 2014

## **Anthony Harbinson Elected ACCA President 2014/15**

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Senior public servant, Northern Ireland's Director of Safer Communities, Anthony Harbinson, has been elected President of ACCA. Anthony Harbinson, who is responsible for the resourcing, policy and legislative framework for policing and community safety, was elected ACCA President for 2014/15 at ACCA's annual general meeting on 18 September 2014 and now represents 170,000 members and 436,000 students in 180 countries around the world.

## **Datuk Alexandra Chin Elected ACCA Deputy President 2014/15**

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A practicing accountant who has played a leading role in the development of the finance profession in the Malaysian state of Sabah has been elected Deputy President of ACCA. Datin Alexandra Chin JP was appointed ACCA Deputy President at the Annual General Meeting of ACCA in London on 18 September and is set to become President of ACCA in 12 months.

## **ACCA Celebrates 110 Years of Developing Professional Accountants**

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ACCA marks over a century of opening up the profession to anyone of ability and application. Established on 30 November 1904, ACCA celebrated its 110<sup>th</sup> anniversary in 2014. Founded on core values of opportunity, diversity, innovation, integrity and accountability, ACCA continues to focus on the delivery of public value globally. The body has seen significant expansion in the past four decades, growing from 12,500 members in 1970 to 170,000 members in 180 countries in 2014.

## **Upskilling Public Sector and Government Finance Professionals Essential for Economic Development and Public Accountability**

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ACCA's new Certificate in International Public Sector Accounting Standards (Cert IPSAS) is designed to equip finance professionals working within the public sector with the right skills to deal with the challenges ahead. Building financial skills, capability and capacity for the public sector is a key aspect of economic development and public accountability.

The ACCA Cert IPSAS has been specifically developed for public sector organisations to train their staff so they can meet the challenges of implementing IPSAS – the global accruals-based accounting standards are used for the preparation of general purpose financial statements by governments and other public sector entities. ACCA believes that given the pace of change and size of expenditure in the public sector, it is critical that finance professionals working in the sector are equipped with the right skills and competencies to deal with the challenges ahead.

## Integrated Reporting to Create value in ACCA Qualification

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ACCA introduced integrated reporting (<IR>) into its qualification in December 2014 becoming the first global accountancy body to do so.

Alan Hatfield, director of learning at ACCA, said: "Most of the elements of integrated reporting were already included in our global syllabus, but we have taken the opportunity to bring them together and IR will form part of our assessment going forward. This is an area where ACCA members can show their leadership for the future, at the heart of long-term value creation for their organisations. This change resonates well with ACCA's core values, such as opportunity, innovation and accountability."

ACCA has also developed a number of resources to inform members on the implementation and adoption of IR – including webinars and research papers.

## Research & Insights

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ACCA has launched a number of research reports in 2014. The reports can be accessed for free at <http://www.accaglobal.com/gb/en/research-insights.html>. Reports include:

- Accounting for Children: Implementing child rights for better business
- Culture vs. Regulation: What is needed to improve ethics in finance?
- Financial education for entrepreneurs: what next?
- Payday lending: fixing a broken market
- Net positive natural capital ambitions
- Divestment from fossil fuel companies
- Sustainability matters
- The future of financial reporting 2014: re-questioning some old assumptions
- Culture and channelling corporate behaviour
- Whole of government accounts: who is using them?
- Towards better diversity management
- China's next 100 global giants
- Should accounts be trying to predict the future?
- Financial insight: challenges and opportunities
- Building the finance function in growing businesses
- The drivers of audit quality: auditors' perceptions
- Breaking out: public audit's new role in a post-crash world
- The digital economy: OECD's consultation on tax challenges
- Innovations in access to finance for SMEs
- The smart finance function in today's complex world
- Understanding investors: the changing corporate perspective
- Creating value through governance – towards a new accountability
- How e-business transforms public sector services in the UK

### BRUNEI

## ACCA accredits Deloitte & Touche Brunei as an Approved Employer

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Deloitte & Touche Brunei joined a distinguished group of organisations worldwide that have achieved accreditation for the support provided to employees who are ACCA members or training to become ACCA members. The ACCA

Approved Employer programme recognises employers' high standards of staff training and development. ACCA currently has over 8,500 Approved Employers worldwide, including top accounting firms and Fortune500 companies. The award recognises that Deloitte & Touche provides finance professionals the support to develop the knowledge, skills, and leadership abilities needed to succeed in a dynamic and demanding business environment.

## CAMBODIA



### **NAC, KICPAA, and ACCA Sign Memorandum of Understanding to Extend the Joint Examination Scheme**

NAC (the National Accounting Council), KICPAA (the Kampuchea Institute of Certified Public Accountants and Auditors) and ACCA (the Association of Chartered Certified Accountants) signed a Memorandum of Understanding (MoU) on 15 January 2014.

### **Careers in Banking and Auditing Roundtable**

ACCA held a career in banking and auditing roundtable, in conjunction with the Institute of Specialized Economics and Finance, which is under the supervision of the Ministry of Economy and Finance.

### **CamEd Business School Awarded Platinum Status in Cambodia**

CamEd Business School was awarded the ACCA Platinum Approved Learning Provider (ALP) status. The ceremony took place under the patronage of the Minister of Education of Cambodia.

## INDONESIA

### **ACCA Awards Human Rights Audit Champion**

ACCA recognised Mr. James Kallman, Senior Partner and President Director at Moores Rowland - Mazars Indonesia, and Global Head of Human Rights, Mazars for his contributions to the finance and accounting industry at the ACCA Achievement Awards ceremony held in Jakarta.



### **University of Indonesia and ACCA Renew Memorandum of Understanding**

The University of Indonesia and ACCA renewed a Memorandum of Understanding on 10 June 2014. The MoU is aimed at furthering collaboration and partnership between the two esteemed organisations to support students pursuing an education in finance and accountancy, and to build capacity in the profession to support Indonesia's economic growth.

## University Gadjah Madah and ACCA Sign Memorandum of Understanding

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The University of Gadjah Madah and ACCA signed a Memorandum of Understanding on 11 June 2014, when Helen Brand, ACCA's Chief Executive visited Indonesia.

## ACCA Deputy President Speaks at IAI Conference

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ACCA took part in IAI's 57<sup>th</sup> Anniversary Conference held in Balai Kartini, Jakarta from 17 – 18<sup>th</sup> December 2014. Datuk Alexandra Chin, ACCA's Deputy President, gave a welcoming speech, followed by a presentation by Mr. Abdullah Juffry, ACCA International Assembly Member and CFO of Trakindo Utama.

### LAO PDR

ACCA conducted an IFRS workshop in conjunction with the Ministry of Finance Lao PDR and the Lao Institute of Certified Public Accountants (LICPA).

## LICPA and ACCA Sign MoU to Advance the Finance and Accounting Sector in Laos

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In conjunction with the 116<sup>th</sup> AFA meeting in Vientiane, LICPA (the Lao Institute of Certified Public Accountants) and ACCA signed a memorandum of understanding on the 25<sup>th</sup> of October 2014 at a conference jointly organized by LICPA, ACCA, and AFA. The conference was presided by Mr. Bounchomh Ubonpaseuth, Vice Minister of Finance and attended by representatives from national accounting bodies across ASEAN and representatives from accounting and audit firms as well as from other public and business entities. Dr. Phirany Phissamay, President, LICPA and Mr. Lamngeunh Tanlamany, Deputy Director General, Accounting Department represented LICPA in signing the MoU. ACCA was represented by Datuk Alexandra Chin, Deputy President, ACCA and Ms. Lucia Real-Martin, Director, Emerging Markets, ACCA. The Vice Minister of Finance for Laos witnessed the MoU signing ceremony.

### MALAYSIA



## MIA and ACCA Sign Agreement to Benefit Thousands of Finance Professionals

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The Malaysian Institute of Accountants (MIA) and ACCA signed a Memorandum of Understanding (MoU), which will result in them working together to develop the profession in Malaysia and the wider region.

This agreement will provide an incentivised pathway for MIA members of good standing who do not currently hold a professional accountancy qualification to obtain ACCA membership. ACCA agrees to offer exemption of nine papers from the ACCA Qualification (papers F1 to F9) to eligible MIA members, with the initial registration and exemption fees waived. This special pathway will be in force for three years from the date of signing.

As a result, thousands of finance professionals in Malaysia will benefit from this new agreement and be eligible to obtain an international professional qualification and membership that is recognised in 180 countries. The MoU was formalised at a signing ceremony, where ACCA was represented by Stephen Heathcote, Executive Director – Markets and MIA represented by its President, Johan Idris.

### **ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2014**

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ACCA Malaysia held the Sustainability Reporting Awards (MaSRA) with the theme “Sustainability & Inclusiveness”. Over 150 guests attended the Awards Presentation Ceremony held at Hilton Kuala Lumpur on 26 November 2014.

YB Senator Dato’ Seri Abdul Wahid Omar, Minister in the Prime Minister’s Department, delivered the keynote address and presented the trophies to the main awards winners. The Commendation Awards was presented by Encik Johan Mahmood Merican, Chief Executive Officer of Talent Corporation Malaysia Berhad (TalentCorp) while a

specially designed token were presented to all shortlisted companies by Encik Azman Hisham Che Doi, Chief Executive Officer of Securities Industry Development Corporation (SIDC). The ACCA MaSRA 2014 is supported by TalentCorp and SIDC, and endorsed by Bursa Malaysia Bhd.

### **ACCA Seeks Leaders of Tomorrow with New Initiative Launched**

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ACCA has launched its Leaders of Tomorrow programme in search of tomorrow’s leaders today. This initiative is designed to groom young ACCA professionals for the leadership role, thereby ensuring a continuous pipeline of finance leaders.

“Leaders of Tomorrow” was first initiated by ACCA in the UK, and is launched today in Malaysia with the support of Talent Corporation Malaysia Bhd (TalentCorp). This structured one-year programme invites selected employers to nominate two high-potential ACCA members of their staff to participate in a diverse range of development and leadership opportunities.

### **ACCA President Hosts a Reception for Executives in Malaysia**

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Over 170 business leaders and top executives attended an evening reception hosted by Anthony Harbinson, global president of ACCA, at Le Méridien Kuala Lumpur. The ACCA Presidential Evening was an opportunity for Harbinson to meet key stakeholders from the industry in his maiden visit to Malaysia. High profile guests included Datuk Nur Jazlan, Chairman of Public Accounts Committee (PAC); Dato’ Merina Abu Tahir, Acting Director of Corporate Services at MAS; Datin Teh Ija Mohd Jalil, Executive Director-Corporate Resources at Securities Commission Malaysia; Johan Merican, CEO of TalentCorp; John Kidd, Chief - Global Shared Service Centre at the UNDP Global Shared Services Centre; Datuk Dr Paul Chan, Vice Chancellor and President of HELP University; and Datuk Dr Tan Chik Heok, President of TAR University College.

## ACCA Steps Up to Support Government-Led Innovation Drive for Malaysia's SMEs

ACCA backed an initiative led by the Malaysian Government aimed at boosting innovation in Malaysia's small and medium sized businesses (SMEs).

As part of Malaysia's innovation drive ACCA will bring its expertise to research carried out amongst Malaysia's SMEs, looking at their approaches to innovation. ACCA is undertaking this research with other key partners including the UK's NESTA, an innovation charity; Inngot, specialists in intangible asset identification, rating and valuation; and Alpha Catalyst Consulting, an Innovation Consulting company. This project is part of the Malaysian Government's National Corporate Innovation Index (NCII), and delivered under the auspices of Agensi Inovasi Malaysia (AIM), a government body charged with driving innovation in Malaysia, chaired by the Malaysian Prime Minister.

## ACCA Futures Conference Malaysia

ACCA organised its inaugural Futures Conference in Kuala Lumpur on 15 May 2014 which focused on the theme 'The future of business and impact on the accounting profession'.

The conference headlined renowned futurologist and trend-spotter, Magnus Lindkvist, who created the world's first academically accredited course in trend-spotting and future-thinking in 2008.

## ACCA Malaysia Learning Conference

ACCA organized the ACCA Malaysia Learning Conference with the theme "Accounting Educators: Roles and contributions towards a developed nation". The conference brought together over 100 academics from various universities.

## MYANMAR



## ACCA Signed MoU with Union of Myanmar Federation Chambers of Commerce & Industry

UMFCCI (The Republic of the Union of Myanmar Federation of Chambers of Commerce & Industry) and ACCA signed a Memorandum of Understanding at the Chatrium Hotel in Yangon on 16<sup>th</sup> March 2014. Both UMFCCI and ACCA share a commitment to the advancement of business and economy in Myanmar – especially in relation to strengthening the finance function; building talent, capacity and leadership in organisations; promoting corporate governance and ethics; and championing sustainable businesses that promote economic advancement and development in Myanmar.

## ACCA Becomes the First Global Professional Accountancy Body to Open for Business in Myanmar

ACCA reached a milestone in opening its 91<sup>st</sup> office in Myanmar in April 2014, strengthening its global presence. The move was in line with ACCA's commitment to acting in the public interest, promoting ethical business and supporting economic growth in Myanmar.

ACCA has built strong ties with national organisations in Myanmar who share similar commitments to championing sustainable businesses that create economic advancement and development in the country.



### **MICPA, UMFCCI, and ACCA Host the Myanmar Development Summit**

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On 10th August, the Myanmar Institute of Certified Public Accountants (MICPA), the Union of Myanmar Federation Chambers of Commerce & Industry (UMFCCI) and ACCA hosted the Myanmar Development Summit in Yangon, Myanmar. The conference featured a stellar line-up of speakers including U Thein Htaik, Auditor General of the Union of Myanmar; U Kyaw Tin, President, MICPA; U Win Aung, President, UMFCCI; Ms. Helen Brand OBE, Chief Executive, ACCA; Datuk Nur Jazlan bin Mohamed FCCA, Member of Parliament (Malaysia) and Chairman of Public

Accounts Committee (PAC) Malaysia; U Maw Than, Board Member, Central Bank of Myanmar; Mr. Reza Ali ACCA, Head of Emerging Markets – Asia, ACCA; U Kyaw Lwin Oo, Head of ACCA Myanmar; Dr. Maung Maung Lay, Vice President, UMFCCI; Dr. Thet Thet Khine, MD, Shwe Nan Daw Group, Joint-Secretary General, UMFCCI; U aye Chan FCCA, CEO, IMA Group; Mr. Chan Nyein, CFO, British American Tobacco; Ms. Rebekah Khan, Partner, PwC Singapore; Dr. Aung Thura, Founder and CEO, Thura Swiss; Dr. Sein Maung, Chairman, First Private Bank; U Soe Win, Managing Director, Myanmar Vigour (Deloitte); and Mr. Rajesh Ahuja, Chief Representative – Myanmar, ANZ.



### **Yangon University of Economics and ACCA Sign MoU to Advance Finance and Accountancy Education in Myanmar**

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On 9 August 2014, Yangon University of Economics (YUE) and the Association of Chartered Certified Accountants (ACCA) signed a Memorandum of Understanding on the YUE Campus.

Prof. Dr. Khin Naing Oo, Rector, and Prof. Dr. Tun Aung, Pro Rector represented YUE in signing the MoU. ACCA was represented by Ms. Helen Brand OBE, Chief Executive, and Mr. Reza Ali, Head of Emerging Markets – Asia.

### **ACCA Signs MoU with the Daw Khin Kyi Foundation to Support Financial Literacy in Myanmar**

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ACCA signed a MoU with the Daw Khin Kyi Foundation during a visit from ACCA Chief Executive, Helen Brand to support education, financial literacy, and social mobility in Myanmar. The Daw Khin Kyi Foundation (DKKF) was set up in honour of Aung San Suu Kyi's mother, Daw Khin Kyi.

DKKF is a non-profit charity whose purpose is to promote the health, education, and living standards of the people of Myanmar, focusing its attention on Myanmar's least developed areas. The Foundation seeks to achieve these goals irrespective of ethnicity, race or religion, believing that improvement in one place creates a better future for all. This is strongly aligned with ACCA's commitment to delivering public value to economies in all stages of development, and to remove artificial barriers, and open up the profession to people of application, ability, and ambition.



### ACCA Recognizes Veterans in Myanmar Finance and Accountancy Sector with Achievement Awards

ACCA awarded U Win Thin, Chairman, Win Thin Associates, and U Maw Than, Member of the Myanmar Accountancy Council (MAC) for their contributions towards advancing the accountancy and finance profession in Myanmar, and promoting public value.

### Women in Leadership Forum

ACCA, in conjunction with the UK Trade & Investment Myanmar and the Myanmar Women Entrepreneurs Association (MWEA) hosted the Women in Leadership Forum in Yangon, Myanmar on 4<sup>th</sup> December 2014. The forum brought together prominent women leaders to discuss how greater opportunities in leadership can be created for women in Myanmar.



The event started with a keynote by the Founder of the Myanmar Women Entrepreneurs Association. Speakers included Dr. Thet Thet Khine (Vice President, MWEA; Secretary General, UMFCCI), HE Ms. Bronte Moules (Ambassador to Myanmar, Australian Embassy), Dr. Khin Mar Mar Kyi (Daw Aung San Suu Kyi Gender Research Fellow, Oxford University), Ms. Belinda Ford (Director, Public Affairs and Communications, Coca-Cola Myanmar), Ms. Lisa Weedon (Director, UKTI), and Mr. Stephen Heathcote (Executive Director, Markets, ACCA).

### PHILIPPINES

- ACCA participated as a gold sponsor at the Philippines Accountancy Week in July 2014, and delivered a speech at the ACPACI – PICPA Conference
- ACCA participated as a gold sponsor in the 69<sup>th</sup> PICPA Annual National Convention. Mr. Ahmadi Hadibroto (ACCA member, IFAC Board member, and Executive Director of Institut Akuntan Publik Indonesia) spoke on the topic “The ASEAN and AEC Effect on Accountants”



## SINGAPORE



### ACCA Singapore Annual Conference

ACCA Singapore held its Annual Conference on 12 May 2014. Mrs. Josephine Teo, Senior Minister of State for Ministry of Finance and Ministry of Transport, was the Guest of Honour. Other key speakers at the event included Datuk Alexandra Chin, Deputy President, ACCA; Mr. Ahmadi Hadibroto, ACCA member, IFAC Board member, and Executive Director of Institute Akuntan Publik Indonesia; Professor Li Kouqing from the Shanghai National Accounting Institute; and senior leadership from SAC, ACRA, Twitter, Standard Chartered Bank, DBS Bank, and PwC.



### ACCA's Chief Executive Speaks at Singapore's Accountancy Convention

Helen Brand, ACCA's Chief Executive, delivered a presentation on Integrated Reporting at the Singapore Accountancy Convention 2014 organized by the Institute of Singapore Chartered Accountants (ISCA). Ms. Brand participated in a panel discussion where experts explored a new chapter in standards development to ensure the profession stays ahead of the curve in today's dynamic business environment. She was joined on the panel by industry experts such as Mr. Hans Hoogervorst, Chairman, International Accounting Standards Board; Professor Katherine Schipper, Thomas F. Keller Professor of Business Administration, Fuqua School of Business, Duke University, and Member of Singapore Management University, School of Accountancy Research (SOAR) Advisory Board; Mr. Robert Hodgkinson, Executive Director, Technical, The Institute of Chartered Accountants in England and Wales and Mr. Tham Sai Choy, Chairman, KPMG Asia Pacific and Managing Partner, KPMG in Singapore.

### MoU with Manchester Business School (Singapore)

ACCA Singapore Signed a Memorandum of Understanding with the Manchester Business School (MBS) Singapore Campus on 31 July 2014.

### ACCA Singapore Launches Global Corporate Governance Study with KPMG

KPMG and ACCA published a joint global study titled "Balancing Rules and Flexibility" that analysed corporate governance requirements across 25 markets. The Singapore launch of the report took place on 19<sup>th</sup> November 2014.

## VIETNAM



### MoU between ACCA and State Audit of Vietnam

ACCA and the State Audit of Vietnam signed a cooperation agreement on 14 April 2014. This replaces the previous MoU signed on 13 January 2009, which had a validity of 5 years. The agreement is expected to open up opportunities to contribute to improving the quality of human resources and state audit activities in Vietnam.

### ACCA awarded World Bank project in Vietnam

ACCA was awarded a World Bank project in Vietnam on “Accounting reform and development project”.

Sha Ali Khan, Director of Practice Monitoring, ACCA, was chosen as the International Consultant for the project. The aim is to strengthen the institutional capacity of the Accounting and Auditing Policies Department under the Ministry of Finance in order to effectively discharge its role of overseeing compliance and quality of accounting and auditing in Vietnam.

### Women in Finance Leadership Forum

ACCA Vietnam, Ho Chi Minh City held the Women in Finance Leadership Forum on 17 April 2014. The forum highlighted ACCA’s report on “Women in Finance: A springboard to corporate board positions”

The forum featured speakers such as Ms. Nguyen Vinh Ha, Partner, Grant Thornton Vietnam; Ms. Haang Mai Huong, CEO, Saatchi & Saatchi Vietnam; Ms. Haang Thai Ha, Indochina Regional Director, FTMS Vietnam, and Mr. Martin Turner, President, ACCA.



### Lighting Up Your Future Scholarship Award Ceremony

The second ‘Lighting Up Your Future scholarship award ceremony’ was organized on 7 January 2014 in Hanoi and 8 January 2014 in Ho Chi Minh City. The scholarship fund was founded by Deloitte Vietnam and ACCA in 2012. The scholarship aims to provide students with a greater opportunity to achieve a successful career in finance and accounting.

Prof. Dr. Tran Quang Quy, Director of Higher Education Department, Ministry of Education and Training delivered the congratulatory speech. University rectors, local body representatives, Deloitte Vietnam’s partners, awardees parents and 200 university students attended the ceremony.

### Vietnam Teachers Day Celebration

ACCA Vietnam organized a series of events in conjunction with Vietnam Teachers Day on 20 November 2014. Initiatives included a career orientation with over 500 students in the Academy of Finance, ACCA scholarship award to Academy of Finance students with excellent academic records, and Teachers Day celebration with over 150 lecturers, deans, and rectors from universities.



Total members: 142.000

# ICAEW ACTIVITIES THROUGHOUT 2014

ICAEW activities across South East Asia in 2014, as well as elsewhere in the world. A few highlights are detailed below, for further information visit [icaew.com](http://icaew.com).

## ICAEW Annual Review 2013

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ICAEW Chief Executive, Michael Izza, highlights our work to support the chartered accountant brand and the development of strong national institutes around the world in the ICAEW Annual Review 2013. ICAEW is proud too of its innovative thinking on how audit can better meet the needs of the 21st century, on the public sector agenda and on the challenges facing business such as corporate governance, cyber-security and corporate tax.

## Corporate Governance Roadshow in South East Asia

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ICAEW's Jo Iwasaki visited Indonesia, Malaysia, Vietnam, Myanmar and Singapore in January for a series of roadshows on corporate governance and the developments necessary to meet the challenges of the capital markets.

## Public Sector Financial Management

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ICAEW's Sumita Shah travelled to Malaysia and Indonesia for discussions on public sector frameworks for accruals-based accounting systems and the importance of building both the necessary political support and leadership and the necessary skills. Her programme included meetings with the Malaysia Institute of Accountants, the Accountant General of Malaysia, the United Nations Development Programme and speaking at an event hosted by the Institute of Indonesia Chartered Accountants.

Sumita was also delighted to speak at the CAPA/World Bank/ADB event in Manila where she focused on the skills relationship between the private and public finance sectors. The ICAEW report, *A CFO at the Cabinet Table?*, looks at the role of the CFO in a private company and considers what ideas the public sector could take from this to help improve government management of public finances.

## New Head of Vietnam Appointed

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ICAEW has appointed Ms Dang Thi Mai Trang as its first Head of Vietnam. This is part of ICAEW's commitment to build and strengthen its initiatives and presence in Vietnam and within the South East Asia region.

## ICAEW - Five Years in Singapore

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ICAEW celebrated its fifth anniversary in Singapore at the prestigious Tower Club, in June. The evening reception was attended by distinguished guests from the finance and accountancy profession, ICAEW Chief Executive Michael Izza and Regional Director for South East Asia Mark Billington.

## ICAEW a New Regulator of Probate Services

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ICAEW becomes the first non-legal body in the UK to regulate probate services and grant alternative business structure (ABS) licences. On 15 July, the House of Commons approved ICAEW's role as approved regulator, which came into force as law on 17 July; the statutory instrument approving ICAEW's role as a licensing authority was laid on 22 July and became law on 14 August. ICAEW is now accepting applications from firms for accreditation to offer probate services.

ICAEW has announced the first accountancy firm to be licensed as an Alternative Business Structure (ABS) to carry out probate work as Kingston Smith LLP. It comes a month after the Institute was made an approved regulator and licensing authority for probate and ABS, opening up the marketplace to the consumer for legal services work.

## UK Bribery Act 2010

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ICAEW releases a briefing paper on the implications of the UK Bribery Act 2010 when working outside the UK. The purpose of this paper is to highlight the implications of the Act and to offer practical steps to mitigate the risk of falling foul of the Act.

## IFAC World Congress of Accountants

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ICAEW was proud to play a leading role at the IFAC World Congress of Accountants as a Trevi Fountain sponsor. In addition to our busy exhibition stand, ICAEW provided speakers at the conference including a session on the future of audit, noteworthy for its engagement with stakeholders who are not accountants. ICAEW welcomed delegates from around the world to our reception at the Museo Capitolini. We also held a Chartered Accountants Worldwide event to discuss the value of the chartered accountant profession and an ICAEW event on the practicalities of developing professional bodies through capacity building projects. This event was attended by 40 delegates representing 16 of the world's leading Chartered Accountancy institutes. ICAEW also participated in meetings deliberately aligned with the World Congress including the Global Accounting Alliance and the Confederation of Asian and Pacific Accountants. ICAEW was honoured to sponsor the CAPA meetings in partnership with the ACCA.

## International Capacity Building

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With the support of the UK Foreign Office, ICAEW is working with government and the profession in Myanmar and Cambodia on the transition to global accounting and auditing standards.

## Woman in Leadership (WiL)



ICAEW and Talent Corporation Malaysia (TalentCorp) jointly celebrated the graduation of 18 participants together with their mentors in Kuala Lumpur in November.

The WiL MY is an eight-month development programme to support women in advancing to senior roles with the support and guidance from their mentors. It is targeted at women across all industry sectors who aspire to progress to senior leadership or board roles.

## Financial Talent Executive Network



In partnership with Singapore Management University (SMU) and Progress-U, the 2<sup>nd</sup> F-TEN<sup>®</sup> Asia programme was launched in Singapore in November 2014. This powerful collaboration between world leaders in finance and accounting, executive development experts and executive coaching specialists throughout Asia, offers delegates an unrivalled development experience.

### ICAEW 2014 Economic Insight: South East Asia

A quarterly forecast for the finance profession, focuses on the major ASEAN economies and highlights this year's challenges for South East Asia economies. The results of the 4 quarters in 2014 were discussed by leading industry professionals and ICAEW members in Malaysia, Vietnam, Indonesia and Singapore.



### ICAEW Celebrates 10 Successful Years in Malaysia

The past 10 years has seen a tremendous growth for ICAEW in Malaysia with a steady increase of ACA qualified students year on year. 2014 saw ICAEW groomed over 300 ACA qualified students with 12 world prize winners.

In addition we also had three notable achievements of our Malaysian members. They are Mr David Lim, the first Malaysian member to be on the ICAEW Council and was co-opted to Council in 2013. Following that we have Dato' Gan Ah Tee and Dato' Mohammad Faiz Azmi who became Liverymen of the prestigious Worshipful Company of Chartered Accountants in England and Wales in early 2014. These appointments have put Malaysia on the international map.



Countries in which AFA Primary Members are located are marked with its respective organisation logos.

## PRIMARY MEMBERS

### Brunei Darussalam

#### Brunei Darussalam Institute of Certified Public Accountants (BICPA)

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



### Cambodia

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

#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) .....



### Indonesia

#### Institute of Indonesia Chartered Accountants (previously The Indonesian Institute of Accountants) / Ikatan Akuntan Indonesia (IAI)

Grha Akuntan, Jl. Sindanglaya No. 1  
Menteng, Jakarta 10310  
Indonesia  
[www.iaiglobal.or.id](http://www.iaiglobal.or.id) .....



**Lao PDR**

**Lao Institute of Certified Public Accountants (LICPA)**

Accounting Department, Ministry of Finance Unit 9  
Ban Thongtum, Chanthabury District  
Vientiane Capital  
Lao PDR .....



**Malaysia**

**Malaysian Institute of Accountants (MIA)**

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



**Myanmar**

**Myanmar Accountancy Council (MAC)**

No. 1/19, Thakhinmya Park Street Ahlone Township  
Yangon, Myanmar  
[www.oagmac.gov.mm](http://www.oagmac.gov.mm) .....



**Philippines**

**Philippine Institute of Certified Public Accountants (PICPA)**

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



**Singapore**

**Institute of Singapore Chartered Accountants (ISCA)**

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



**Thailand**

**Federation of Accounting Professionals (FAP)**

133 Sukhumvit 21 Road (Asoke-Montri)  
Khlong Toei Nua, Watthana  
Bangkok 10110, Thailand  
[www.fap.or.th](http://www.fap.or.th) .....



**Vietnam**

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

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





## ASSOCIATE MEMBERS

### Australia

- CPA Australia**  
 Level 20  
 28 Freshwater Place  
 Southbank, VIC 3006  
 Australia  
[www.cpaaustralia.com.au](http://www.cpaaustralia.com.au)
- Chartered Accountants Australia and New Zealand (CAANZ)**  
 33 Erskine Street  
 GPO Box 9985, Sydney  
 NSW 2000, Australia  
[www.charteredaccountantsanz.com](http://www.charteredaccountantsanz.com)

### United Kingdom

- The Association of Chartered Certified Accountants (ACCA)**  
 435 Orchard Road #15-04/05  
 Wisma Atria  
 Singapore 238877  
[www.accaglobal.com](http://www.accaglobal.com)
- The Institute of Chartered Accountants in England and Wales (ICAEW)**  
 South East Asia Regional Office  
 9 Temasek Boulevard  
 #09-01 Suntec Tower Two  
 Singapore 038989  
[www.icaew.com](http://www.icaew.com)



ASEAN FEDERATION OF ACCOUNTANTS  
**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2014**

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Baker Tilly TFW LLP  
Chartered Accountants of Singapore

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## FEDERATION PROFILE

### Primary Members

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

### Associate Members

<b>Australia</b>	CPA Australia
<b>Australia and New Zealand</b>	Chartered Accountants Australia and New Zealand (CA ANZ) (formerly The Institute of Chartered Accountants in Australia)
<b>United Kingdom</b>	The Association of Chartered Certified Accountants (ACCA)
<b>United Kingdom</b>	The Institute of Chartered Accountants in England and Wales (ICAEW)

### Office Bearers for the Year Ended 31 December 2014

<b>AFA President</b>	Ms Estelita C. Aguirre (PICPA)
<b>AFA Deputy President</b>	Mr. Sonexay Silaphet (LICPA)
<b>AFA Secretary-General</b>	Ms Josefe Sorrera-Ty (PICPA)
<b>AFA Treasurer</b>	Mr. Frankie Chia (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

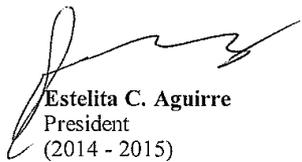
## ASEAN FEDERATION OF ACCOUNTANTS

### STATEMENT BY COUNCIL

In the opinion of the Council:

- (i) the financial statements set out on pages 4 to 12 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 2014 and of the results, changes in accumulated fund and cash flows of the Federation for the financial year then ended in accordance with International 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



**Estelita C. Aguirre**  
President  
(2014 - 2015)



**Frankie Chia**  
Treasurer

**31 JAN 2015**



## BAKER TILLY TFW

Baker Tilly TFW LLP  
Chartered Accountants of Singapore  
600 North Bridge Road  
#05-01 Parkview Square  
Singapore 188778

T: +65 6336 2828

F: +65 6339 0438

www.bakertillytfw.com

### 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 12, which comprise the balance sheet as at 31 December 2014, 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 International 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 International Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Federation as at 31 December 2014 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

31 January 2015

Baker Tilly TFW LLP (Registration No. T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

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**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2014**

	2014	2013
	\$	\$
<b>Income</b>		
Membership fees	26,750	26,750
Interest income	1,668	3,707
	<hr/> 28,418	<hr/> 30,457
<b>Less expenditure</b>		
Auditor's remuneration	1,750	1,750
Bank charges	470	310
Courier charges	260	–
Foreign currency exchange gain	(227)	(191)
Meeting expenses	5,166	13,055
Publications	1,620	1,195
Sundry expenses	368	383
Travelling expenses	2,841	8,457
Website expenses	2,569	–
	<hr/> 14,817	<hr/> 24,959
<b>Net surplus and total comprehensive income for the year</b>	<hr/> 13,601	<hr/> 5,498

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

**ASEAN FEDERATION OF ACCOUNTANTS**

**BALANCE SHEET**  
**At 31 December 2014**

	Note	2014 \$	2013 \$
<b>Current assets</b>			
Interest receivables		384	3,499
Cash and cash equivalents	3	488,365	482,557
		<hr/>	<hr/>
		488,749	486,056
<b>Current liabilities</b>			
Other payables and accruals		1,750	12,658
		<hr/>	<hr/>
<b>Net assets</b>		486,999	473,398
		<hr/>	<hr/>
<b>Accumulated Fund</b>		486,999	473,398
		<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 2014**

	\$
Balance at 1 January 2013	467,900
Net surplus and total comprehensive income for the year	5,498
Balance at 31 December 2013	<u>473,398</u>
Net surplus and total comprehensive income for the year	13,601
<b>Balance at 31 December 2014</b>	<b><u>486,999</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 2014**

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Net surplus for the year		13,601	5,498
Adjustment for:			
Interest income		(1,668)	(3,707)
Operating surplus before movements in working capital		11,933	1,791
Other payables and accruals		(10,908)	1,505
Cash from operations		1,025	3,296
Interest received		4,783	700
<b>Net cash from operating activities</b>		<b>5,808</b>	<b>3,996</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,808</b>	<b>3,996</b>
Cash and cash equivalents at beginning of year		482,557	478,561
<b>Cash and cash equivalents at end of year</b>	3	<b>488,365</b>	<b>482,557</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 2014

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 dollar (“\$”) which is the Federation’s functional currency, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements for the financial year ended 31 December 2014 are the first the Federation has prepared in accordance with IFRS. For the periods up to and including the financial year ended 31 December 2013, the Federation prepared its financial statements in accordance with Singapore Financial Reporting Standards. The adoption of the IFRS did not have any material effect on the financial statements.

The preparation of financial statements in conformity with IFRS 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, other current receivables and payables 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 IFRS issued by the IASB and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRS and IFRIC did not have any material effect on the financial results or position of the Federation.

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 2014 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 in the period of their initial adoption.

## 2 Significant accounting policies (cont'd)

### (b) Financial assets

#### i) *Classification*

The Federation classifies its financial assets according to the purpose for which the assets were acquired. The Council determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date. The Federation's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "interest receivables" and "cash and cash equivalents" on the balance sheet.

#### ii) *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Federation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure. Any amount in the fair value reserve relating to that asset is also transferred to income or expenditure.

#### iii) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

#### iv) *Subsequent measurement*

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Interest income on financial assets are recognised separately in income or expenditure.

#### v) *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.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in income or expenditure. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

## 2 Significant accounting policies (cont'd)

### (c) Financial liabilities

Financial liabilities, which comprise other payables and accruals are recognised on the balance sheet when, and only when, the Federation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Gains and losses are recognised in income or expenditure when the liabilities are derecognised as well as through the amortisation process.

### (d) Foreign currency

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

Items included in the financial statements 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 comprises the fair value of the consideration received or recoverable for the rendering of services. 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**

	2014 \$	2013 \$
Fixed deposits	300,011	420,700
Bank balances	188,354	61,857
	488,365	482,557

Cash and cash equivalents are denominated in the following currencies:

Singapore dollar	482,822	477,211
United States dollar	5,543	5,346
	488,365	482,557

Fixed deposits bear interest rates ranging from 0.2% to 1.2% (2013: 0.45% to 0.95%) per annum and mature between 1 and 22 months (2013: 5 months) from the balance sheet date.

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

	2014 \$	2013 \$
<i>Financial assets</i>		
Loans and receivables	488,749	486,056
<i>Financial liabilities</i>		
At amortised cost	1,750	12,658

**b) Financial risk management**

The main risks arising from the Federation's financial management are credit risk, foreign currency risk, interest rate risk and liquidity risk. The Federation reviews and agrees on 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 category of financial assets in the balance sheet.

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

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

###### *Foreign currency risk*

The Federation has no significant exposure to foreign currency risk as its financial assets and financial liabilities are mainly denominated in Singapore dollar. The Federation does not use financial instruments to hedge its foreign currency risk. The Federation, however, monitors its exposure to foreign currency 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 financial liabilities recorded in the financial statements of the Federation approximate their fair values due to the relatively short period of maturity of these financial instruments.

#### **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 2014 and 31 December 2013.

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

The financial statements of the Federation for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Council dated 31 January 2015.

**ASEAN Federation of Accountants**  
Accredited Civil Society Organisation of ASEAN  
**www.aseanaccountants.org**

**AFA Secretariat:**  
**c/o Institute of Indonesia Chartered Accountants**

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

T. (+6221) 31904232 ext. 513 F. (+6221) 3900016 E. [afasecretariat@iaiglobal.or.id](mailto:afasecretariat@iaiglobal.or.id)