



Collaborating
in Asia Pacific

2014
ANNUAL REPORT

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MESSAGE FROM PRESIDENT



“ CAPA is continuing to grow from strength to strength ”

Whilst this was the major activity of the year, there were plenty of others, and CAPA moved forward in many other ways. The theme of “collaboration” appeared in many of them. We looked to broaden our relationships and establish platforms for the accountancy profession to grow.

The South East Asia region is on the verge of establishing the ASEAN Economic Community and this impacts and provides opportunities for the accountancy profession in the region. CAPA reached out to the professional accountancy organisations in South East Asia, and a number of them are currently participating in existing or proposed capacity building projects under the oversight of CAPA.

The Supreme Audit Institutions (SAIs), the audit offices and auditor-generals, hold a unique position in the fabric of the public sector. A strong accountancy profession often underpins a strong SAI, and indeed in some developing countries, the SAI is more developed than the professional accountancy organisation. It is vital these types of organisations support each other, and with this in mind, CAPA has initiated the development of deeper relationships with each of the relevant Asian and Pacific regional organisations, known colloquially as ASOSAI and PASAI.

Our relationship with the World Bank has progressed in recent years, and some reference is made above. However, this year witnessed a strengthening of our ties with the Asian Development Bank. This included, early in the year, a series of joint activities held at their Manila headquarters, and more recently, agreement to partner in a capacity building project. We are very much looking forward to progressing and implementing this initiative over the next two years.

CAPA is continuing to grow from strength to strength, and I would like to take this opportunity to thank our member organisations and their representatives and advisors, without whose support this would not be possible, as well as the Chief Executive and Secretariat, without whose efforts we would not be where we are today.

Sujeewa Mudalige
President

As I conclude my first year as your President, I reflect on what has been a very eventful and fulfilling period. At the start of the year I could not have predicted how much my own Institute, the Chartered Accountants of Sri Lanka, would feature in the events that unfolded.

I am referring to the highlight of the year, the inaugural ‘Financial Reporting for Economic Development’ forum. The concept for this forum was first considered late last year, and with the assistance of many partners, including my own Institute who offered to host the event, it was successfully staged in May in Negombo, Sri Lanka with just four months of preparation.

Our major partner was the World Bank who provided the necessary financial support to allow the event to proceed. The International Federation of Accountants worked closely with our own Secretariat to ensure we secured the relevant speakers and participants. The forum aimed to bring together the key stakeholders, decision-makers and policy advisors impacting on the world of accounting, auditing and financial reporting, with a view to developing and advancing public and private sectors.

It was pleasing to see the myriad of stakeholders discussing and working together towards common goals. It demonstrated the importance of collaboration in order to achieve mutual objectives. We are very thankful to the World Bank for their support, and the success of the forum and the partnership has put us on track to stage a second forum in late 2015. Our aim is to make this forum the flagship event for the accountancy profession and relevant stakeholders in the region.

MESSAGE FROM CHIEF EXECUTIVE



We have established a very successful program of meetings and events throughout any given year, including two Board meetings and two ‘outreach’ meetings. Supplemented with other activities as opportunities arise, this pattern of meetings and events is set to continue. The meetings occur across the whole region, selected according to where we can add value, whilst attempting to spread our visits across as many of our members as possible. This year we visited the Philippines, Sri Lanka and Vietnam however, we also moved outside the region for a very special meeting.

Every four years the accountancy profession stages its own “Olympics” – the World Congress of Accountants. This year it was held in Rome, and CAPA has a long history of meeting alongside the Congress every time it is held. The opportunity was taken to meet with many leaders of the global profession, as well as many national leaders from outside our own region. The Congress itself was a fabulous success, attracting close to 4,000 delegates from over 120 jurisdictions.

“ 2015 is shaping up to be another special year for CAPA ”

A “year of firsts” was how I described 2013, and on reflection, this theme has continued into 2014 with:

- the inaugural ‘Financial Reporting for Economic Development’ forum
- my first attendances as Chief Executive at meetings of the ASEAN Federation of Accountants and the Pacific Association of Supreme Audit Institutions
- the commencement of our first project partnering with the World Bank – the ‘CPD Systems’ capacity building project, and
- planning for our first major project in many years with the Asian Development Bank

It was a year in which relationships with key stakeholders were either established for the first time, re-established after a period of slowdown, or strengthened in depth and trust. As a regional body, our success invariably depends on the strength of relationships established and mutually relied upon with our key stakeholders. In this respect, it was a most satisfying year.

Our *Maturity Model for the Development of Professional Accountancy Organisations (PAOs)*, completed and published at the start of the year, has been very well received across the profession. A number of PAOs used the model to undertake a self-assessment during the year and share the outcomes with peers in a constructive setting to identify development and improvement opportunities. We were particularly pleased that the ambitious and developing Myanmar Institute of Certified Public Accountants took the opportunity to gain insights from more developed bodies.

Similarly, in late October 2015, CAPA’s own four-yearly Conference will take place in Seoul, Korea. Planning is well underway for this major event in CAPA’s calendar, including aligning the Conference with a proposed second ‘Financial Reporting for Economic Development’ forum. 2015 is shaping up to be another special year for CAPA.

Following the completion of a membership review which provided a clear framework for membership and a clear strategic focus, a number of organisations have indicated interest in becoming members of CAPA and some have already been admitted. There is perhaps no more rewarding evidence as to the role we are playing and the value being provided. In this respect, I would like to thank all of our members for the support and encouragement provided to myself and the Secretariat. We are looking forward to 2015 as a year for further consolidation, whilst also considering the many opportunities available to us.

Brian Blood
Chief Executive

THE YEAR IN SUMMARY

STRATEGIC INITIATIVES

- The inaugural 'Financial Reporting for Economic Development' forum for the Asia region was staged in Negombo, Sri Lanka.

The forum was inaugurated by the Governor of the Central Bank of Sri Lanka. Attracting over 150 attendees, this forum for leaders and policy makers in the profession and related stakeholders is positioned to become the flagship event for the Asia region.



Left to right: Fily Sissoko, Manager of the South Asia Region Financial Management Unit, World Bank; Sujeewa Mudalige, CAPA President; Lasantha Wickremasinghe, Vice President, CA Sri Lanka; Ajith Nivard Cabraal, Governor, Central Bank of Sri Lanka; Arjuna Herath, President, CA Sri Lanka; Fayezul Choudhury, Chief Executive Officer, IFAC

- The Public Sector Financial Management (PSFM) Committee published and launched *Improving Financial Management in the Public Sector – The Eight Key Elements of PFM Success*.
- We jointly staged 'Public and Private Sector Financial Management – Global Trends, Regional Implications, Local Impacts' in Manila, Philippines. This Asian Development Bank, World Bank and CAPA joint forum was attended by over 30 regional financial management specialists from the donor agencies, as well as our own PSFM Committee members.
- We staged a Philippine Public Sector Roundtable event in Manila, Philippines attended by 40 participants, including representatives from the Philippines public sector and accountancy profession, various regulatory and institutional bodies, and members of CAPA's PSFM Committee, including international public sector leaders in the accountancy profession.
- The PAO Development Committee published and launched the *Maturity Model for the Development of Professional Accountancy Organisations*.
- The PAO Development Committee met in Hanoi, Vietnam, in August for an outreach meeting at which Members from Vietnam and the Philippines, as well as the PAO from Myanmar, used the 'Maturity Model' to undertake a self-assessment and, with their peers, consider opportunities to further develop and advance their organisations and the profession in their countries.
- During the outreach visit to Hanoi, Vietnam, meetings were held with the Minister of Finance and the State Audit Office.
- Our capacity-building project, Improving Continuing Professional Development (CPD) Systems of National Professional Accountancy Organisations (PAOs) funded by the World Bank, is well underway with a demonstration of the Toolkit provided during our last meeting of the year.

The toolkit will be applied during 2015 at the PAOs in Mongolia, the Philippines, and Vietnam.



Consultants of the CPD Systems project, Gert Karreman (standing) and Patrick Corrigan (sitting) of AARC, demonstrating the Toolkit

- A capacity-building project focused on Audit Quality Assurance Systems was scoped in partnership with the Asian Development Bank and funding was approved in October 2014. The two year project, directly assisting PAOs in Bangladesh, Cambodia, Myanmar, Nepal and Samoa, and indirectly assisting all PAOs, is due for completion by December 2017.

- We held our last Board and committee meetings of the year in Rome, Italy, in support of the World Congress of Accountants – an event held every four years. A number of our members contributed to the Congress and CAPA contributed to a Project Gallery to showcase our recent projects and publications to the global accountancy profession.
- World Bank and Asian Development Bank representatives joined CAPA at all events in the Philippines, Sri Lanka, Vietnam, and Italy.
- In January, we participated in meetings of the South Asian Federation of Accountants (SAFA) during their visit to Colombo, Sri Lanka, the home base of the CAPA President.
- In June, the Chief Executive participated for the first time in a meeting of the ASEAN Federation of Accountants (AFA) in Jogjakarta, Indonesia. AFA represents the PAOs in South East Asia.
- In September, the Chief Executive participated for the first time in a meeting of the Pacific Association of Supreme Audit Institutions (PASAI), the official association of supreme audit institutions (government Audit Offices and similar organisations) in the Pacific region.
- We assisted, supported, and contributed to meetings of IFAC's PAO Development Committee and the IFAC/Donors Steering Committee for the Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration (MOSAIC), held in Paris, France in September.
- In November, the Chief Executive met for the first time with the leadership of the International Association for Accounting Education & Research (IAAER) and participated in the 12th World Congress that is also held every four years aligned to the World Congress of Accountants.
- We met and liaised with IFAC, other regional organisations and accounting groups, and PAOs to promote standards and share knowledge for the benefit of members.
- Two major globally involved professional accounting organisations, both based in the UK and both focused on areas of key interest to CAPA, were admitted as Affiliate members at the end of the year:
 - The Chartered Institute of Public Finance and Accountancy (CIPFA); and
 - The Association of Accounting Technicians (AAT)

OPERATIONAL ACHIEVEMENTS

- Members and the Board gathered for meetings in:
 - Negombo, Sri Lanka – 43 attendees
 - Rome, Italy – 60 attendees
- Representatives and technical advisors gathered for the following committee meetings:
 - PSFM Committee: Manila, Philippines – 14 attendees
 - PAO Development Committee: Hanoi, Vietnam – 17 attendees
- We achieved a better-than-budget financial result whilst undertaking a number of Board-approved, but unplanned activities.



KEY ACHIEVEMENTS & ACTIVITIES IN 2014



COLLABORATING IN ASIA PACIFIC

Following last year's call for the accountancy profession in Asia to "raise its voice in the global profession", CAPA collaborated with various organisations across the Asia-Pacific region to stage a high-level regional forum titled 'Financial Reporting for Economic Development'. This forum, the first of its kind in Asia, was modelled after a regular event sponsored by the World Bank and the International Federation of Accountants (IFAC) to raise awareness and influence policy on accounting and auditing in Latin America and the Caribbean.

CAPA worked in partnership with the World Bank, IFAC, and the Institute of Chartered Accountants of Sri Lanka to organise this inaugural event for the Asia region. The published article, written by CAPA Chief Executive, Brian Blood, is based on the outcomes of

the forum. As reflected by the article, there is much to do in order to increase awareness amongst regulators and policy makers in the region on the role and importance of accounting and auditing to create a business climate to boost shared prosperity and to strengthen public financial management to enhance governance and accountability.

The second Financial Reporting for Economic Development forum is planned for October 2015 in Seoul, Korea. Supported again by the World Bank, this forum will focus particularly on public sector matters.

MEDIA RELEASE

MAY 2014

The Financial Reporting Supply Chain in Asia

This article is written by
Brian Blood, Chief Executive, CAPA

The rapidly developing resort town of Negombo, located within 20 minutes of the recently expanded Bandaranayake International airport near Colombo in Sri Lanka, was a fitting location for the inaugural 'Financial Reporting for Economic Development' Forum staged by the Confederation of Asian and Pacific Accountants (CAPA).

In his opening address, Sri Lanka's Deputy Minister of Finance & Planning, Dr. Sarath Amunugama, reflected on the rapid economic development in recent years and the current healthy 7.5 % growth rate. Whilst noting that financial management reforms need to keep pace, he was quick to point out that the country has a strong accounting profession, a comment supported by the leadership of CAPA.

CAPA is a regional body recognised by the global accountancy profession represented by the International Federation of Accountants (IFAC). As a regional organisation, it represents 31 professional accounting organisations across 23 jurisdictions in Asia Pacific and aims to develop, coordinate, and advance the accountancy profession in the region.

The Forum was supported by the World Bank, "and without this support the Forum could not have proceeded," said Brian Blood, Chief Executive of CAPA. Both organisations recognise the importance of high quality financial management and reporting across private and public sectors as a key driver of investment, employment, and ultimately the reduction of poverty. Fily Sissoko, Manager of the South Asia Region Financial Management Unit of the World Bank explained, "the accountancy profession has a vital role to play in the goal of shared prosperity."



Dr. Sarath Amunugama, Deputy Minister of Finance of Sri Lanka

With globalisation, there is increasing focus on doing business in and with Asia. For Asia to be successful, it will be important to have effective capital markets and strong corporate governance systems. Corporate scandals and collapses are often associated with companies outside of Asia; however the region has not been immune. Chandu Bhawe would know – he was Chairman of the Securities and Exchange Board of India (SEBI) around the time of the Satyam scandal. At the Forum, he joined in a panel discussing 'ethics and the professional accountant.'

The Forum was based around the financial reporting supply chain, a term used to depict the myriad of players involved in the preparation, approval, audit, analysis, and use of financial reports. "When failure occurs, so often the first and possibly only question asked is where were the auditors?" said Fayeze Choudhury, Chief Executive of IFAC. Choudhury sees this as an imbalance in the public policy debate with a risk it leads to less than the best outcome. "As with any chain, it is only as strong as its weakest link, so all links in the chain need to be strong."

Global accounting and auditing standards provide a sound starting point for high quality financial reporting since they arise from independent standard setting boards. They also provide consistency in a global marketplace. Implementing these standards can be a challenge, and a number of countries in Asia are late to the party. Their implementation and use requires a dearth of well-trained, professional accountants, and in some countries there is a need to build capacity. Whilst mandating professional qualifications for preparers of accounts is an idealistic goal, it just may not be possible where shortages of accountants exist.

This raised questions about the education systems supporting the profession, and Professor Narayanaswamy from the Indian Institute of Management Bangalore did not pull any punches suggesting that the gap between what academia is supplying and the needs of the profession has widened in some locations. "There is much to be done," he conceded. "Academics in the Asia-Pacific region and in SAARC and ASEAN should collaborate more in teaching and research, and there is a need to bring contemporary issues into the classroom."

Financial reporting related reforms across Asia over the last 15 years have been substantial. Analysis from the Asian Corporate Governance Association (ACGA) revealed that in 1998 most countries in Asia did not have codes of corporate governance or require independent directors or audit committees. "Today the position is very different; with codes for Board governance having been introduced and often updated over the period, and all but Japan of the larger Asian countries requiring independent auditors and audit committees. Taiwan is still phasing in the requirement for independent directors, while audit committees will be mandatory as of 2014," Sharmila Gopinath, a research director for ACGA based in India said.

However, whilst the reform has occurred and codes, standards, and principles are widely referenced, many of the speakers acknowledged the challenges, and indeed the will, to implement. Oftentimes it comes down to human behaviour and whether a strong corporate governance culture will be encouraged and enforced. An analogy often used in the Forum was 'why is it that a car driver from Europe obeys the road



Left to right: Chandu Bhawe, Member, Public Interest Oversight Board and former Chair, Securities Exchange Commission India; Sharmila Gopinath, Research Director, Asian Corporate Governance Association

rules in their own country, but if driving in Asia appears to change habits; or a driver from Asia not used to abiding rules in their own country quickly falls in line with driving requirements if visiting Europe?" "Enforcement is the number one issue," stated Sharmila Gopinath. "Without this, there is little incentive to always do the right thing."

One unique challenge for Asia reflects the preponderance of closely controlled, often family related, companies. Majority control places increased focus for investors on related party transactions and transparency requirements. Link to this the challenges of putting in systems that encourage and support the raising of bad news – 'whistle-blowing' – then you have some real challenges. Investors demand confidence in financial reporting and Asia in general has some work to do to reduce the level of perceived unethical behavior or corruption.

Clement Chan, current President of the Hong Kong Institute of Certified Public Accountants and also Chair of the Asian-Oceanian Standard-Setters Group, put it nicely when he said: "The real question is what we have to disclose to give a true and fair view".

Financial reporting is moving ahead in other ways at the moment under the increasingly recognised 'Integrated Reporting' banner. Professor Mervyn King, Chair of the International Integrated Reporting Council who is a passionate advocate of integrated reporting noted: "Financial reporting, while not broken, is not sufficient on its own. Similarly, sustainability reporting is not sufficient on its own. While both these reports are critical, it has to be shown how the financial impacts on the non-financial and vice versa. The reality is that the resources used by a company and the relationships with its key stakeholders are interdependent and interconnected. An analysis of the market cap of companies listed on stock exchanges shows that only 20% of the market cap of companies is included as additives in a balance sheet according to financial reporting standards. Consequently the financial report does not inform the user of the "state of play" in a company. Boards need to apply their collective minds to the financial and non-financial reports and ensure that the material matters are explained in clear, concise, and understandable language in an integrated report so that the reader can make an informed assessment that the business of the company will sustain value creation in the short, medium, and long term.

The integrated reporting journey is reasonably new and has a way to go to reach mainstream acceptance, with some stakeholders raising concerns over certain matters. The challenges include providing the company's long term strategy knowing others will rely on that information – directors and auditors especially are closely considering their risks. However, it is clear many companies are embracing the spirit of integrated reporting, providing understandable information on the business's total value creation, short, medium, and long term. It has to be accepted that business is at the junction of the economy, society, and the environment.

A pilot program has been underway for some time with companies from around the world participating. Diesel & Motor Engineering Plc. based in Sri Lanka is one such company, and Suresh Gooneratne, the executive director noted the benefits were exceeding the efforts and costs involved. Professor King did note that the number of companies involved in the pilot program from Asia was comparatively low, which supported a sense that Asia was not keeping pace in this new area of development.

The Forum was largely devoted to the private sector; however one session did focus on the financial reporting supply chain as it relates to the public sector. The level of interest and activity in this area has accelerated significantly in recent years following a number of high profile sovereign debt crises. Andreas Bergmann, Chair of the independent International Public Sector Accounting Standards Board was clear in his view: "Accrual accounting is state of the art."



Left to right: Mervyn King, Chair, International Integrated Reporting Council; Fayeul Choudhury, Chief Executive Officer, IFAC; Suresh Gooneratne, Executive Director, Diesel & Motor Engineering Plc. Sri Lanka in the Integrated Reporting panel

Suhas Joshi, Regional Advisor, Public Financial Management with the International Monetary Fund pointed out some of the challenges in achieving this goal and questioned if expected levels of success were always being achieved. Alan Edwards from the Chartered Institute of Public Finance and Accountancy based in the UK focused on some approaches to professionalise this sector, often working closely with donor agencies such as the World Bank. A large reform program underway in Bangladesh is seeing over 300 staff undertake professional training, and 65 officials from the Office of the Comptroller and Auditor General attain certificate level accreditation.

CAPA is also active in this area, and recently published *Improving Public Financial Management in the Public Sector – The Eight Key Elements of PFM Success*, a toolkit allowing national professional accountancy organisations to engage with key government stakeholders to discuss challenges and opportunities. "Professional

accountancy organisations have a vital role to play in ensuring the public sector has access to properly equipped, qualified accountants and auditors to manage and safeguard taxpayer funds," explained Gillian Fawcett, Head of Public Sector at ACCA (Association of Chartered Certified Accountants) based in London.

The level of interest in the public sector debate was such that the next 'Financial Reporting for Economic Development' Forum will likely focus predominantly on the public sector. "With support from the World Bank, CAPA looks forward to staging the next Forum in 2015, and we will move the location each time around Asia," said Sujeewa Mudalige, CAPA President, during his closing remarks.

Further information about the forum program, speakers and selected presentation materials can be found at: <http://www.fredasia.org>



Left to right: Jennifer Thomson, Chief Financial Management Officer, World Bank; Patrick Kabuya, Senior Financial Management Specialist, World Bank; Suhas Joshi, Regional PFM Advisor, South & South East Asia, International Monetary Fund; Gillian Fawcett, Head of Public Sector, ACCA; Andreas Bergmann, Chair, International Public Sector Accounting Standards Board; Alan Edwards, Director Strategy & Development, Chartered Institute of Public Finance & Accountancy

ASEAN Federation of Accountants (AFA)

Professional accountancy organisations (PAOs) in South East Asia work together through AFA, an accountancy grouping for ASEAN (the Association of South East Asian Nations). The Chief Executive attended an AFA meeting in Yogyakarta, Indonesia, during the year to ensure relationships are well-placed and maintained between the respective groupings in Asia. With the impending introduction of the ASEAN Economic Community, it is important the accountancy profession is well-placed to take advantage of opportunities and to become established as a key stakeholder and influencer in the South East Asia region and beyond.

The relationship between CAPA and professional organisations in South East Asia has strengthened during the year reflecting:

- outreach visits to Vietnam and the Philippines, and the inclusion of PAOs from both countries in the World Bank funded *CPD Systems project*;
- working with the PAO in Myanmar to undertake a self-assessment of development needs using the *Maturity Model*;
- the inclusion of Myanmar and Cambodia in the Asian Development Bank funded *Audit QA* project about to commence in 2015.

South Asian Federation of Accountants (SAFA)

As the acknowledged accountancy grouping representing ten PAOs in South Asia, SAFA has operated since 1984. Eight SAFA members, being the larger PAOs, are members of CAPA, and both organisations work harmoniously for the benefit of the accountancy profession in South Asia and more broadly.

The President and Chief Executive attended Board and committee meetings of SAFA in Kolkata in late 2013 and also in Sri Lanka in early 2014.

Pacific Association of Supreme Audit Institutions (PASAI)



Delegates at the 17th PASAI Congress in Apia, Samoa

PASAI is the official association of supreme audit institutions (government Audit Offices and similar organisations) in the Pacific region. Accordingly, this represents another key regional stakeholder for the accountancy profession, and during 2014, CAPA set about strengthening this relationship.

The Chief Executive attended PASAI's 17th Congress held in Apia, Samoa, and discussed opportunities to further develop and mutually advance initiatives to strengthen the profession and SAs in the region with PASAI leadership and members. As noted later in this report, the profession is very interested in promoting high-quality financial management and reporting in the public sector – an issue at the very heart of why SAs exist.

Rome and the World Congress of Accountants 2014



Olivia Kirtley, incoming IFAC President, addressing delegates at the 2014 World Congress of Accountants

“ Collaborating across the region is a key strategy and objective of CAPA; collaborating globally is also important. ”

CAPA participates in many activities, arrangements, and initiatives of the global accountancy profession, often with the organisation that represents the global accountancy profession, the International Federation of Accountants (IFAC). In particular, we work with IFAC on common objectives in respect to PAO development, and these are discussed later.

However, 2014 witnessed the World Congress of Accountants (WCOA), an event held every four years, which epitomises how the accountancy profession across the world shares knowledge and works towards common goals. CAPA supported the Congress in many ways, and as with all previous WCOAs, this included staging our own Board and Committee meetings alongside the WCOA to facilitate attendance and participation.

IFAC organised a ‘Project Gallery’ at the WCOA to allow organisations to showcase and share activities and initiatives that have contributed to the development of the accountancy profession in less developed countries. CAPA took the opportunity to showcase:

- the recent publications, Maturity Model and Eight Key Elements of PFM Success, which are available to all PAOs globally; and
- the two donor funded projects, CPD Systems and Audit QA Systems, that directly benefit a number of countries in the region, whilst providing practice toolkits for wider use.

The 2014 WCOA was attended by close to 4,000 delegates from over 120 jurisdictions. The 2018 WCOA will be held within our own region in Sydney, Australia.



A sincere appreciation to the host of WCOA: (left) Gerardo Longobardi, President of Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (CNDCEC) and (right) Warren Allen, outgoing IFAC President

The Global Accountancy Profession Project Gallery



Left to right: Lee White, Chief Executive Officer, Chartered Accountants Australia and New Zealand; Alex Malley, Chief Executive, CPA Australia inviting delegates to the 2018 WCOA to be held in Sydney, Australia



CAPA organised many activities in Rome, following a long tradition of meeting in conjunction with the WCOA.

CAPA meetings and welcome reception jointly hosted by ACCA and ICAEW

- 1) Welcome remarks by one of the hosts, Anthony Harbinson, President of ACCA
- 2) Left to right: Jackie Poirier, CAPA Deputy President; Barry Melancon, President & CEO of American Institute of Certified Public Accountants; Sujeewa Mudalige, CAPA President; Fayezul Choudhury, CEO of IFAC
- 3) Left to right: Ian Ball, Chairman, CIPFA International; Sujeewa Mudalige, CAPA President
- 4) Left to right: Caroline Kigen, Chair of IFAC PAO Development Committee; Vickson Ncube, CEO of Pan African Federation of Accountants; Jackie Poirier, Chair of CAPA PAO Development Committee & Deputy President
- 5) Presenting a token of appreciation to one of the hosts, (left) Michael Izza, Chief Executive Officer of ICAEW and (right) Sujeewa Mudalige, CAPA President

Knowledge sharing sessions at CAPA Board meeting

- 6) Front row, left to right: Olivia Kirtley, incoming IFAC President; Alta Prinsloo, IFAC Executive Director, Strategy & COO; Srinivasan Janardanam, Senior Financial Management Specialist, Asian Development Bank; Chris Fabling, Financial Management Hub Leader Vietnam, World Bank; Roberto Tarallo, Practice Manager, Governance Global Practice, World Bank
- 7) ACCA, in collaboration with KPMG, shared ‘Balancing Rules and Flexibility – A study of corporate governance requirements across 25 markets’, presented by (left) Sue Almond, External Affairs Director, ACCA and (right) Irving Low, Partner & Head of Risk Consulting, KPMG Singapore
- 8) Deborah Chaplin, Director of Faculties, shared ICAEW’s commitment to technical thought leadership with a focus on two new on-line services – ‘Faculties on line’ and ‘International Audit and Accounting’

World Congress of Accounting Educators 2014

The International Association for Accounting Education & Research (IAAER) also organises a conference every four years aligned to the WCOA. The conference this year was held in Florence, Italy, and Brian Blood, CAPA Chief Executive, attended the event.

The mission of the IAAER is to promote excellence in accounting education and research on a worldwide basis and to maximise the contribution of accounting academics to the development and maintenance of high quality, globally recognised standards of accounting practice. Accounting educators are a key stakeholder in the profession and CAPA took the opportunity to strengthen relationships and seek collaborative opportunities.

Held in Florence, Italy, the 12th Congress had a special meaning for accounting educators and researchers. Italy is known as the historical place for bookkeeping and accounting. In 1494, Luca Pacioli, regarded as the father of modern accounting, published Summa de Arithmetica Geometria Proportioni at Proportionalita, the first book of bookkeeping in the world. Luca Pacioli had taught at the University of Florence.



One of the opening plenary sessions includes a panel on financial reporting featuring Mario Abela, Leader Research and Development of IFAC (2nd from right)

DEVELOPING THE PROFESSION

Recognising the vital role that accountants play in establishing confidence in all economies, CAPA continues to work with key stakeholders in the accountancy profession and the donor community to develop and promote the value of professional accountants across the region. As the Regional Organisation (RO) for Asia Pacific, CAPA is well placed to assume this role and to undertake certain related activities because ROs such as CAPA offer proximity and cultural understanding, and reflect the mutual interest of their members. This is done through various initiatives, including:

- Working continuously with the donor community to explore opportunities for capacity building within the profession in the region.
- Working with the global profession, through interaction with the International Federation of Accountants (IFAC), to identify ways to further develop professional accountancy organisations (PAOs) in the region.
- Working with specific member PAOs through outreach activities to understand their needs and identify special-assistance programs.
- Relationship building and knowledge sharing sessions with member PAOs.

CAPA's Professional Accountancy Organisation Development Committee (PAODC) leads the above initiatives.

OBJECTIVES OF THE PAO DEVELOPMENT COMMITTEE

- Facilitate relationships and activities that contribute to the development of PAOs in the region
- Identify and support development of relationships and partnerships with key stakeholders, particularly donor agencies – globally, regionally and in-country
- Identify and prioritise key regional and country-specific needs and develop strategies and plans to address those needs
- Identify and share relevant knowledge, tools and guidance to assist in the development of PAOs
- Coordinate CAPA activities with any relevant activities of IFAC's PAO Development Committee
- If requested by a PAO, provide assistance to that PAO to both obtain IFAC membership and access partnering or mentoring support
- Advocate to IFAC on PAO development matters that the global profession should address

PAO Development Committee Members



Front row, left to right:
 1. Kumar Raghu, India
 2. Liang Jing, China
 3. Jean Ettridge, United Kingdom
 4. Jackie Poirier, Chair, Canada

Back row, left to right:
 1. Lyle Handfield (Technical Advisor), Canada
 2. Rob Thomason (Technical Advisor), Australia
 3. Arjuna Herath, Sri Lanka
 4. Low Weng Keong, Australia

Not in photo:
 1. Andrew Conway, Australia
 2. Pat Leota, Samoa
 3. Jim Knafo, United States of America
 4. Tran Van Ta, Vietnam

Launching of Maturity Model for the Development of Professional Accountancy Organisations

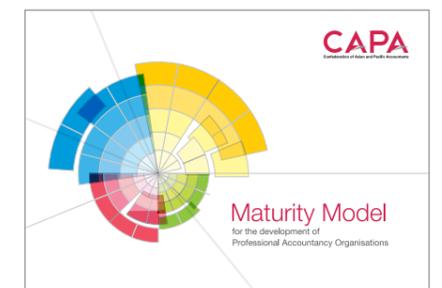
In 2012, CAPA's PAO Development Committee (PAODC) embarked on a project to develop a thought-leadership piece to assist the development of professional accountancy organisations (PAOs). The project took the form of a "maturity model" that enables PAOs to undertake a self-assessment to determine current and desired stages of development and maturity.

The publication, *Maturity Model for the Development of Professional Accountancy Organisations*, was published early this year and launched at the inaugural high-level forum on 'Financial Reporting for Economic Development' held in Sri Lanka

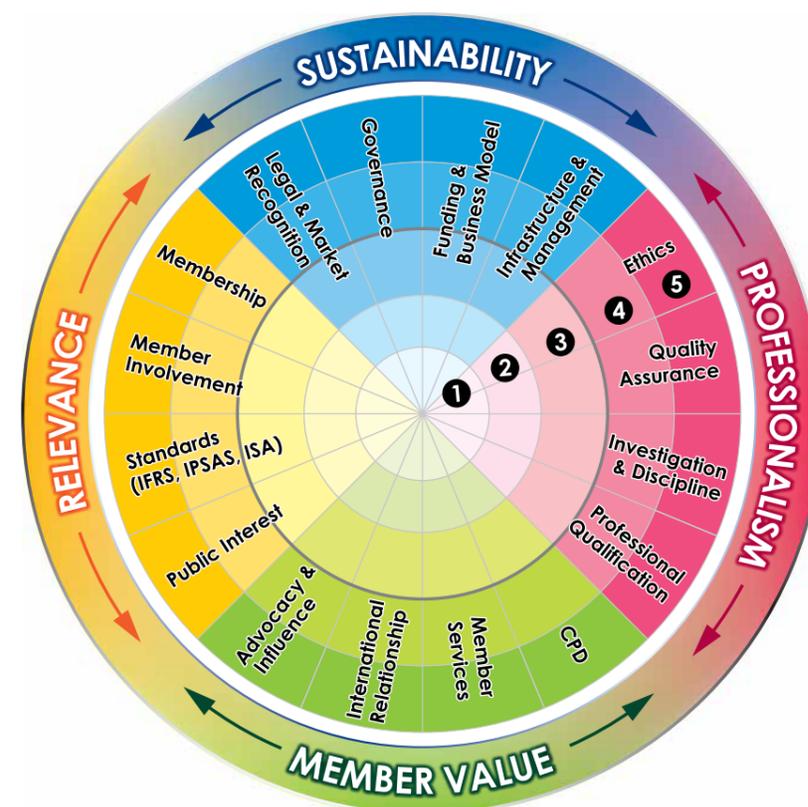
on 19-21 May 2014. The publication aims to assist accountancy organisations in their development journey, irrespective of their current stage of development. It provides a roadmap to assist accountancy organisations undertake an organisational self-assessment to identify opportunities for development, improvement, and sustainable growth.

The *Maturity Model* is a first of its kind, targeted for use by any accountancy organisation, and is particularly useful for newer and developing organisations. When accountancy organisations perform well in their variety of roles, they hold the

power to impact positively on their nation and ultimately on the society. The donor community endorses the publication as it embraces the spirit of the development goals of enhancing sustainable economic growth and reducing poverty.



“ The Maturity Model is a first of its kind. ”



Maturity Model: 4 key characteristics, 16 key success areas, 5 levels of progress

The *Maturity Model* has been designed to be a user-friendly tool with sixteen key success areas across four broad characteristics – Sustainability, Relevance, Professionalism, and Member Value. In building the model, all generally accepted criteria for qualification as a PAO were taken into account, including the internationally recognised Statement of Membership Obligations issued by the International Federation of Accountants. The Model recognises that every accountancy organisation is unique and therefore allows for flexibility in the application of the Model – it can be tailored to suit the circumstances.

The *Maturity Model* was pilot-tested in 2013 by CAPA members from Papua New Guinea (PNG), Samoa, and the Solomon Islands. During a planned visit to PNG in 2015, a follow-up review will occur, hopefully involving all three members. In 2014, PAOs from Myanmar, the Philippines, and Vietnam also undertook the self-assessment during an outreach visit to Vietnam.

CAPA will be actively promoting the model in the future, encouraging PAOs in our region and globally to use it as a self-assessment mechanism to help identify opportunities for development and improvement. A copy of the publication can be obtained from the CAPA website (www.capa.com.my).

Maturity Model workshops during PAODC outreach visit to Vietnam



Delegates at the Maturity Model workshop

CAPA held an outreach visit in Hanoi, Vietnam, in mid-August with the PAODC staging various events and activities hosted by the Vietnam Association of Certified Public Accountants (VACPA). The main activity during the visit involved three workshops using the Maturity Model.

The VACPA, the Philippine Institute of Certified Public Accountants (PICPA), and the Myanmar Institute of Certified Public Accountants (MICPA) each worked through an assessment of the state of development of their organisations. PAODC members facilitated the discussions, with a view to identifying possible development opportunities. All three PAOs agreed that the discussions and outcomes will be very useful when finalising strategies and developing action plans for their organisations going forward.

It was very pleasing to have MICPA involved as a non-CAPA member, and PAODC members were impressed with the leadership and progress evident in the Myanmar profession.

Over 30 participants were involved, including members and observers of the PAODC, together with representatives from the Asian Development Bank (ADB) and the World Bank. Participants came from nine countries, being Australia, Canada, India, Malaysia, Myanmar, Philippines, Sri Lanka, Vietnam, and the United Kingdom.



Dr. Tran Van Ta, President of VACPA welcoming delegates to the workshop



Jackie Poirier, CAPA Deputy President and Chair of PAODC introducing the Maturity Model workshop



Delegates from MICPA, Myanmar, in the workshop facilitated by representatives of PAOs from Australia, Sri Lanka, UK and the World Bank



Delegates from VACPA, Vietnam, in the workshop facilitated by representatives of PAOs from Australia, Canada and the UK

Engaging with the global profession and donors in PAO development

It is important that capacity building efforts are well-coordinated, and for this reason, MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration) was launched in late 2011 as a collaborative initiative between the global accountancy profession, represented by the International Federation of Accountants (IFAC), and the donor community. Twelve donors have now signed up to MOSAIC.

CAPA is an active participant in the MOSAIC Steering Committee meetings and attended the 2014 meeting held in Paris, France. On this occasion, CAPA shared learnings associated with securing and implementing its World Bank funded CPD Systems project. This project, a first for CAPA, is at a midway point in production and is due for completion in December 2015.

During 2014, CAPA also worked with the Asian Development Bank (ADB) to scope a project as part of a broader capacity building program of activities to improve financial management in the region. This program was approved in October and the CAPA related project involves the ongoing development of audit quality assurance regimes across the region.

The two projects, CPD Systems and Audit QA Systems, support two of the sixteen key success areas in the Maturity Model. The outputs will therefore assist all professional accountancy organisations (PAOs) in their ongoing development. CAPA will continue to identify opportunities for future projects to support other elements in the Maturity Model.

	CPD SYSTEMS	AUDIT QA SYSTEMS
Development Partner	World Bank – Institutional Development Fund (IDF)	Asian Development Bank (ADB)
Recipient PAOs	Mongolian Institute of Certified Public Accountants Philippine Institute of Certified Public Accountants Vietnam Association of Certified Public Accountants	Institute of Chartered Accountants of Bangladesh Kampuchea Institute of Certified Public Accountants, Cambodia Myanmar Institute of Certified Public Accountants Institute of Chartered Accountants of Nepal Samoa Institute of Accountants
Duration	January 2014 – December 2015	2015 – 2017
Objective	Identified through ROSC reviews, aims to develop the capacity of the accounting profession in the Asia-Pacific region through a regional program aimed at improving the continual professional development (CPD) program of professional accountancy organisations	Aims to develop public and private sector accounting and auditing by enhancing audit quality assurance systems administered by PAOs
Outcomes & materials for sharing	Strengthen CPD Systems Better Practice Guide/Toolkit Implemented in 3 PAOs	Strengthen audit quality assurance (QA) programs Good Practice Roadmap Implemented in 5 PAOs

ADVANCING PUBLIC SECTOR FINANCIAL MANAGEMENT

Following the global financial crisis in 2008 and sovereign debt crises around the world over the last few years, there has been a growing emphasis on improved governmental financial reporting and an increased demand for accountability and transparency. The global accountancy profession has been very active in advocating action to improve public sector accounting.

Perhaps as a result, International Public Sector Accounting Standards (IPSAS) have gained a higher profile in recent times. The standard-setting board for public sector accounting, the IPSAS

Board, has reported on the growing momentum in recent years in the adoption of IPSAS around the world. Over 80 countries have either adopted or have processes in place to adopt IPSAS, including a number of Asian countries.

The opportunity to improve financial reporting in the public sector is very high in many countries. This encouraged CAPA to issue a Position Statement in mid-2011 reflecting our stand and our commitment to improve public sector financial management.

POSITION STATEMENT

Improving Public Sector Financial Management

The Confederation of Asian and Pacific Accountants (CAPA) fully supports and encourages the convergence towards International Public Sector Accounting Standards (IPSAS) by all member countries in the Asia-Pacific region to assist in the improvement of public sector financial management.

Users of financial reports produced by the private sector have, for many years, demanded and supported the development of globally accepted high quality financial reporting standards. These users have included regulators and central government agencies. This has resulted in an increasing number of countries adopting and implementing International Financial Reporting Standards (IFRS) as the financial reporting norm for the private sector.

Concurrently there is a growing international movement to improve financial reporting in the public sector. This has resulted in many countries initially adopting cash-based accounting; moving to a more sophisticated accrual basis for financial reporting; and finally a number are adopting and implementing accrual-based IPSAS.

Improving the quality of financial reporting in the public sector is viewed by CAPA as critical in addressing the huge risks, such as unexpected sovereign debt crisis situations that may remain obscured when robust accounting and reporting techniques are not used in the public sector.

From a public interest perspective the more effective monitoring of financial performance within public sector entities is critical. CAPA supports accrual-based financial reporting as the only means to provide the necessary high quality, transparent reporting of public sector activities and position.

Achievement of this ensures that the same high standards of financial reporting are applied by both the private and public sectors of an economy – thus leading to better informed decision-making at both the micro and macro levels.

CAPA, therefore, calls for governments in the Asia-Pacific region to fully recognise the need for robust financial systems, and to lead changes in public sector accounting and reporting to support enhanced public sector financial management.

CAPA's Public Sector Financial Management Committee (PSFMC) is closely involved in, and leads all public sector related initiatives.

OBJECTIVES OF THE PUBLIC SECTOR FINANCIAL MANAGEMENT COMMITTEE

- Identify and support the development of relationships with key stakeholders – globally, regionally, and in-country
- Promote the importance, value, and benefits of high-quality public sector financial management (PSFM)
- Identify and prioritise regional and country-specific needs with regard to PSFM and develop strategies and plans to address those needs
- Identify and share relevant knowledge and tools and provide guidance to assist in the development of high-quality PSFM, both regionally and in-country
- Promote high-quality internal and external reporting and public sector auditing based on IPSAS, IFRS and ISAs (International Standards on Auditing)
- Advocate to IFAC on PSFM matters that the global profession should address

Public Sector Financial Management Committee Members



Front row, left to right:

1. Anwaruddin Chowdhury, *Bangladesh*
2. Gillian Fawcett, *United Kingdom*
3. Young-Jin Park, **Chair**, *Korea*
4. Mahesh Guragain, *Nepal*

Back row, left to right:

1. Gill Cox, *New Zealand*
2. Andrew Stringer, *Australia*
3. Nadeem Y. Adil, *Pakistan*

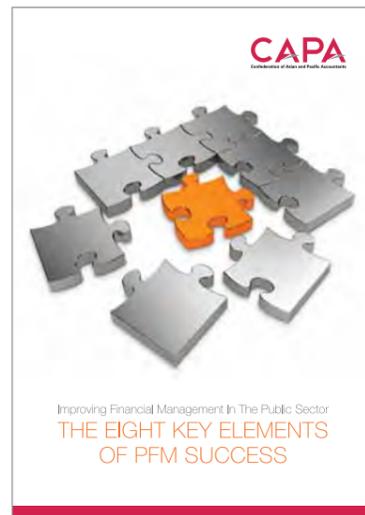
Not in photo:

1. Pramod V. Bhattad, *India*
2. Manoj Fadnis, *India*

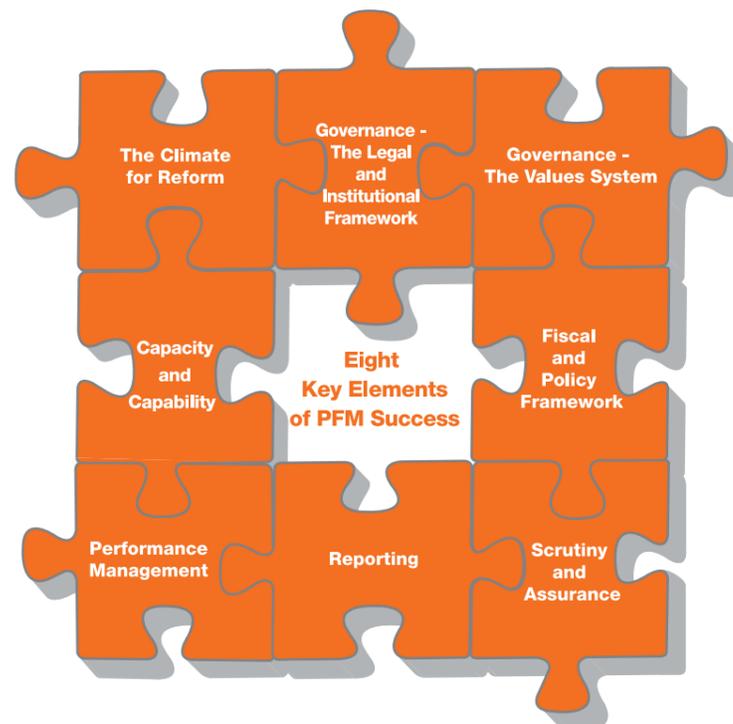
Improving financial management in the public sector – launching of The Eight Key Elements of PFM Success

In 2012, the PSFMC embarked on a project to develop a thought-leadership piece titled *Improving Financial Management in the Public Sector – The 8 Key Elements of PFM Success*, briefly referred to as the 'Eight Key Elements of PFM Success'. The publication aims to provide professional accountancy organisations (PAOs) with the means to have substantive dialogues with their governments on the topic of current and desired states of public financial management (PFM).

The publication, a first produced by the PSFMC, was launched in late March 2014 at a joint forum with the Asian Development Bank and the World Bank in Manila, Philippines. It was well-received with positive feedback – “state-of-the-art tool”, “fully endorsed”, “applicable globally”. The *Eight Key Elements of PFM Success* utilises the wealth of information available regarding PFM and distills it into a user-friendly form with a specific aim of stimulating dialogue between the accountancy profession and the public sector. Depending on the stage of PFM development in any given jurisdiction, the focus may be on some elements rather than others. The more important elements will vary from jurisdiction to jurisdiction, reflecting each jurisdiction’s unique history, circumstances and culture.



“ Stimulating dialogue between the accountancy profession and the public sector. ”



The Eight Key Elements for a comprehensive and coherent PFM system

The effective management of public finances is fundamental to the development and growth of individual economies. Successful economies tend to have one feature in common and that is a strong relationship between government and the accountancy profession. The profession plays a major role in the private sector and it should do the same in the public sector. The profession is committed to protecting the public interest and encouraging accountability and transparency from governments around the world. It is therefore essential that a dialogue exist between PAOs and governments since the involvement of PAOs is vital to the implementation of the *Eight Key Elements of PFM Success*.

CAPA is actively promoting the document regionally and globally, and encouraging PAOs to use it to engage with their governments as they consider opportunities to improve financial management in the public sector. A copy of the publication can be obtained from the CAPA website (www.capa.com.my).

Partnering with donors during PSFMC outreach visit to the Philippines

CAPA's links to the donor community took a further leap forward early in the year. Themed 'Public and Private Sector Financial Management – Global Trends, Regional Implications, Local Impacts', CAPA joined with the Asian Development Bank (ADB) and the World Bank in staging a forum in Manila on 24 March 2014. The full-day forum hosted at the ADB headquarters was attended by close to 70 delegates, including personnel from the two donor agencies involved in financial management development work around the Asia-Pacific region, representatives of professional accountancy organisations, and leaders from the Philippines public sector.

The forum featured presentations by speakers from CAPA, ADB, the World Bank, INTOSAI (International Organisation of Supreme Audit Institution), IPSASB (International Public Sector Accounting Standards Board), international PAOs, and IFAC (International Federation of Accountants) covering financial management developments, including:

- the uptake of cash or accrual IPSAS in the Asia-Pacific region;
- International Standards of Supreme Audit Institutions (ISSAI) and the development and status of INTOSAI's framework of professional high-quality auditing standards; and
- an update on the status of international professional auditing, ethics, and education standards.

A key highlight at the forum was the launch of CAPA's publication, *Improving Financial Management in the Public Sector – The Eight Key Elements of PFM Success* (see previous section).



From left to right: Geoff Applebee, previous Chair of CAPA PSFMC; Brian Blood, CAPA Chief Executive; Gillian Fawcett, Head of Public Sector, ACCA; Sumita Shah, Regulatory Policy Manager, ICAEW; Srinivasan Janardanam, Senior Financial Management Specialist, FM Unit, ADB; John Nyaga, Senior Financial Management Specialist, World Bank



From left to right: Barry Reid, Principal Financial Management Specialist, FM Unit, ADB; Sujeewa Mudalige, CAPA President; Roberto Tarallo, Practice Manager, Governance Global Practice, World Bank; Brian Blood, CAPA Chief Executive



Delegates of the Public and Private Sector Financial Management forum

Strengthening Public Sector Financial Management in the Philippines



Delegates at the Philippine Public Sector roundtable event which was graciously hosted by the Asian Development Bank

During an outreach visit to the Philippines, CAPA and the Philippine Institute of Certified Public Accountants (PICPA) staged a roundtable event to deliberate on public financial management (PFM) reform initiatives in the Philippines and the role of the accountancy profession.

Some 40 participants attended the event, including representatives from the Commission on Audit, Department of Finance, Securities and Exchange Commission, Central Bank of Philippines, Bureau of Internal Revenue, Board of Accountancy, Government Association of CPAs, as well as representatives from PICPA, the Asian Development Bank, the World Bank, and other international public sector experts.

The high-level discussions, facilitated by the Chair of CAPA's PSFMC, were the first to benefit from CAPA's 'Eight Key Elements of PFM Success' publication which provided a structured approach to discuss PFM reform progress, challenges, and opportunities in the Philippines.

Discussions at the Roundtable also included the Philippines 2011-2015 PFM Reform Roadmap and opportunities for the accountancy profession to play a role in sustaining the objectives of the roadmap.

As evident in many other countries, it was noted that a key challenge is to attract and retain a pool of high quality professional accountants to support the public sector. This highlighted the demand for quality training needs and cooperation opportunities with the profession.

In 2015, CAPA aims to complete a project and issue a publication titled 'Attracting and Retaining Finance Personnel in the Public Sector'. This publication will support the element of 'Capacity and Capability' in the *Eight Key Elements of PFM Success*, addressing certain human resource challenges in the public sector.



From left to right: Gil Beltran, Under Secretary, Department of Finance of the Philippines; Attorney Mitchell Yu, Assistant Division Chief, Bureau of Internal Revenue; Heidi Mendoza, Commissioner, Commission on Audit; Antonieta Ibe, Commissioner, Securities & Exchange Commission; Rufo Mendoza, Vice Chairman, Board of Accountancy; Violeta Josef, then President of Philippine Institute of Certified Public Accountants

Engaging with the Public Sector in Vietnam

During an outreach visit to Hanoi, Vietnam, in mid-August, the CAPA Chief Executive together with a delegation consisting of the President, Deputy President and Secretary General, and Board members of the Vietnam Association of Certified Public Accountants (VACPA) visited the Ministry of Finance and State Audit Office of Vietnam.

The new Vietnam Minister of Finance, Dinh Tien Dung, an accountant, was well-versed in the profession and very supportive of VACPA and its objectives.

The Auditor General of Vietnam, Nguyen Huu Van, was also very supportive of VACPA and its initiatives. Discussions included matters pertinent to strengthening public financial management, and this included strengthening the capacity of the Audit Office.

It was noted that a strong relationship exists between VACPA and both the Ministry of Finance and the State Audit Office of Vietnam. VACPA is well-placed to assist in playing an important role in public sector matters.



4th from left: Dr. Tran Van Ta, President of VACPA; Dinh Tien Dung, Minister of Finance of Vietnam; Brian Blood, CAPA Chief Executive; 2nd from right: Bui Van Mai, Deputy President/Secretary General of VACPA together with Board members of VACPA



Centre: Brian Blood, CAPA Chief Executive, visited the State Audit Office of Vietnam; to his right is Auditor General, Nguyen Huu Van

Following the visits, an opportunity was taken to share CAPA's *Eight Key Elements of PFM Success* in a session that attracted representatives from the Ministry of Finance, State Securities Commission, State Audit Office, National Financial Supervisory Commission, and the State Bank of Vietnam.

CAPA Chief Executive explained the purpose of the publication and Dr. Tran Van Ta, President of VACPA and a former Vice Minister in the Ministry of Finance, discussed the state of public financial management (PFM) in Vietnam in the context of the eight key elements.

The profession in Vietnam has a close relationship with the public sector and this is an advantage not found in some other countries. VACPA was encouraged to build on this relationship and play a strong role within the public sector. Donor agencies emphasised that it is important for those working in the public sector to have an understanding of accrual accounting and other important aspects of financial management and reporting.



From left to right: Vu Huu Nam, Vice President of the Vietnamese Association of Accountants and Auditors reiterating the importance of good financial management practices in the public sector; Dr. Tran Van Ta, President of VACPA

CAPA establishes an annual work program aligned to its vision and mission. Our key focus areas – PAO development and the improvement of public sector financial management – will continue into 2015. Our outreach events will continue to focus on these matters.

In respect to capacity-building, our CPD Systems project funded by the World Bank will see the consultant working with the three identified countries and delivering a toolkit by the end of 2015.

Further, the Audit QA Systems project funded by the Asian Development Bank will commence in early 2015. CAPA has a role in facilitating the project and providing advice to the consultants.

However, much of the year will involve preparing for the two major aligned activities to be held in late October 2015 – the 2015 CAPA Conference and the second ‘Financial Reporting for Economic Development’ forum.

Full details of finalised arrangements and the focus of meetings or associated events are maintained on the CAPA website.

CAPA Conference 2015

The 19th CAPA Conference will be held at the COEX World Trade Centre in Seoul, Korea from 27-29 October 2015. The CAPA Conference is held once every four years and provides an opportunity for delegates from CAPA member organisations to meet and share information relevant to the accountancy profession.

In recent decades, Asia has emerged as a global economic powerhouse, giving rise to new challenges in business which ultimately led to significant change and growth for the accountancy profession. As the rest of the world becomes increasingly interested in what is happening in Asia, the 2015 CAPA Conference will aim to address current key topics influencing the accountancy profession and “raise the voice of the profession in Asia”.

Themed ‘Asian Accountants – Leading the Way Inspiring Others’, the conference program will feature a mix of informational and stimulating plenary and concurrent sessions exploring various areas of the accountancy profession. This conference will attract accounting professionals from across the entire Asia-Pacific region. For more information about the conference, send an email to global@kicpa.or.kr or visit the conference website (www.capaseoul2015.org).



CAPA Seoul 2015
October 27-29, 2015 / COEX, Seoul, Korea

“ **Two very important activities in 2015 are:**
– **CAPA Conference 2015**
– **2nd Regional Forum: Financial Reporting for Economic Development** ”

2nd Regional Forum: Financial Reporting for Economic Development

The second ‘Financial Reporting for Economic Development’ forum will be held aligned to the 2015 CAPA Conference.

The aim of the forum is to boost awareness amongst regulators and policy-makers in Asia on the role and importance of accounting and auditing to enhance the climate for business and to strengthen public financial management to enhance governance and accountability. This time, the forum will have a special focus on the public sector as it explores why good public financial management is important in the creation of a sound investment climate to foster jobs, economic growth, and shared prosperity.

For more information, visit the CAPA website (www.capa.com.my).

October 29 - 30, 2015
COEX, Seoul, Korea

CAPA Meetings and Events in 2015

March

Location : Kathmandu, Nepal

Meetings : Committee Outreach

Events : Event with key stakeholders, policy makers and donor agencies, focused on the public sector

May

Location : Tokyo, Japan

Meetings : Members and Board Meeting
Committee Meetings
Annual General Meeting

Events : Advancement of strategies and projects within the 2015 work program

August

Location : Port Moresby, Papua New Guinea (PNG)

Meetings : Committee Outreach

Events : PAO development activities for PNG and the Pacific Islands

October

Location : Seoul, Korea

Meetings : Members and Board meeting
Committee Meetings
Assembly of Delegates

Events : **CAPA Conference 2015**
2nd Regional Forum: Financial Reporting for Economic Development



What is CAPA?

The Confederation of Asian and Pacific Accountants (CAPA) is a regional organisation representing thirty-two national professional accountancy organisations (PAOs) operating in Asia Pacific. These PAOs, referred to as CAPA's members, represent over 1.5 million accountants across the region.

CAPA is one of four regional organisations recognised by the global accountancy profession, which is represented by the International Federation of Accountants (IFAC). The others represent PAOs in Europe, Africa, and the Americas. Of the four regions, Asia Pacific is the largest by geographical spread, as members stretch from Mongolia to New Zealand and from Pakistan to Canada, coming from jurisdictions of greatly varying populations and a wide variety of cultures.

CAPA has a unique role within the accountancy profession, positioned between IFAC, which represents the global accountancy profession, and the national PAOs, which represent the profession in each jurisdiction. Accordingly, CAPA is better placed to undertake certain initiatives and activities than either IFAC or the PAOs.

“ CAPA is one of four regional organisations recognised by the global accountancy profession. ”



*For full details of CAPA members, please refer to pages 29 and 30

Our History

The idea of CAPA was conceived at the “First Far East Conference of Accountants,” held in 1957 in Manila, Philippines. It was the first accountancy conference of such magnitude held in the region, where 20 organisations from 15 jurisdictions participated. One third of these jurisdictions did not have a national accounting organisation at the time and

the idea of forming a formal confederation of accounting bodies was therefore deferred; however, the notion of holding a regular regional conference was retained.

At the next conference, held in 1960 in Canberra and Melbourne, Australia, the grouping was renamed the Confederation of Asian and Pacific Accountants, with

more jurisdictions joining. In 1976, CAPA adopted a formal charter and established an Executive Committee (now the Board) to carry out activities in line with its newly established mission and objectives.

From 1 January 2015, CAPA has a membership of 32 accountancy organisations in 23 jurisdictions.

The Role of CAPA

CAPA provides the structure to enable relationship building and knowledge sharing among PAOs operating in the region and to undertake specific activities consistent with the organisation's vision and mission.

While CAPA has limited resources of its own, by harnessing the significant collective resources of our member organisations and by collaborating with these organisations, the mission of CAPA can be effectively and efficiently achieved (see Vision & Mission Statement).

CAPA's mission is supported by medium- to long-term strategies and short-term work plans. These embrace both the public and private sectors and all facets of the accountancy profession.

Our values underpin the organisation's culture and provide an anchor point and framework to

support stakeholders as they work together and make decisions. It is particularly important for an organisation that represents and involves so many PAOs and jurisdictions, each with its distinct culture, to establish a clear identity to which all member organisations can subscribe.

We expect all our stakeholders to share and demonstrate the following values:

- trust
- respect
- cooperation
- inclusiveness
- positive attitude
- excellence
- *kaizen*, or continuous improvement

VISION & MISSION STATEMENT

Vision – For the profession in Asia Pacific

A relevant and respected accounting profession, trusted and valued by governments and businesses, and recognised for contributing to the development of sustainable financial markets and economies.

Vision – For CAPA (as an organisation)

An inspirational leader for the accounting profession in Asia Pacific.

Mission – For CAPA

To develop, coordinate and advance the accounting profession in the region by:

- Contributing to the formation and development of strong and sustainable professional accounting organisations capable of providing and maintaining accountants to effectively meet the needs of the country in which they operate
- Fostering a cohesive accounting profession within the region by facilitating the development of relationships and the sharing of knowledge among professional accounting organisations
- Promoting the benefits of high-quality financial and performance management and reporting in the public, not-for-profit, and private sectors, including international standards in accounting, audit, ethics and accounting education
- Liaising with governments and regional and national organisations to influence the development of public sector financial management
- Liaising with international, regional, and national organisations to influence the development of efficient and effective capital markets
- Promoting the value of professional accountants in the region
- Providing input to, and supporting the global profession in, matters of public interest including establishing and issuing policy positions

CAPA Member Organisations

CAPA has three categories of membership – Member, Associate, and Affiliate – reflecting the different types of accountancy-related organisations that operate either directly or indirectly within the region.

MEMBER

Definition:

Accountancy organisations that are headquartered in the Asia and Pacific region (as defined by CAPA) and:

- recognised by law and / or general consensus, including by peers, the public and other stakeholders, as being a national professional accountancy organisation in good standing in the jurisdiction;
- considered to be of high quality and good repute, meeting the quality criteria as established by the Board in CAPA's internal policies

Australia



CPA Australia (CPA Australia)
www.cpaaustralia.com.au



Chartered Accountants Australia and New Zealand (CAANZ)
www.charteredaccountantsanz.com



The Institute of Public Accountants (IPA)
www.publicaccountants.org.au

Bangladesh



The Institute of Chartered Accountants of Bangladesh (ICAB)
www.icab.org.bd



The Institute of Cost and Management Accountants of Bangladesh (ICMAB)
www.icmab.org.bd

Canada



Chartered Professional Accountants of Canada (CPA Canada)[#]
www.cpacanada.ca

China, People's Republic of



The Chinese Institute of Certified Public Accountants (CICPA)
www.cicpa.org.cn

Fiji



Fiji Institute of Accountants (FIA)
www.fia.org.fj

India



The Institute of Chartered Accountants of India (ICAI)
www.icai.org



The Institute of Cost Accountants of India (ICAI)
www.icmai.in

Japan



The Japanese Institute of Certified Public Accountants

The Japanese Institute of Certified Public Accountants (JICPA)
www.jicpa.or.jp

Korea, Republic of



The Korean Institute of Certified Public Accountants (KICPA)
www.kicpa.or.kr

Mongolia



Mongolian Institute of Certified Public Accountants (MonICPA)
www.monicipa.mn

Nepal



The Institute of Chartered Accountants of Nepal (ICAN)
www.ican.org.np

New Zealand



Chartered Accountants Australia and New Zealand (CAANZ)
www.charteredaccountantsanz.com

Pakistan



The Institute of Chartered Accountants of Pakistan (ICAP)
www.icap.org.pk



The Institute of Cost and Management Accountants of Pakistan (ICMAP)
www.icmap.com.pk

Papua New Guinea



CPA Papua New Guinea (CPAPNG)
www.cpapng.org.pg

Philippines



The Philippine Institute of Certified Public Accountants (PICPA)
www.picpa.com.ph

Samoa



Samoa Institute of Accountants (SIA)
www.sia.org.ws

Sri Lanka



The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
www.casrilanka.com

United States of America



American Institute of Certified Public Accountants (AICPA)
www.aicpa.org

Vietnam



Vietnam Association of Certified Public Accountants (VACPA)
www.vacpa.org.vn

ASSOCIATE

Definition:

Accountancy organisations that are headquartered in the Asia and Pacific region (as defined by CAPA) which have an interest in the accountancy profession. Such organisations demonstrate a commitment to, but do not meet all, the Member admission criteria.

D.P.R. of Korea



Pyongyang Office of Auditors of the D.P.R. of Korea (POA)

Samara, Russian Federation



National Institute of Professional Accountants, Financial Managers and Economists (NIPA)
http://stipb.org/en

Sri Lanka



Association of Accounting Technicians of Sri Lanka (AATSL)*
www.aatsl.lk

Solomon Islands



Institute of Solomon Islands Accountants (ISIA)

AFFILIATE

Definition:

Organisations that have a recognised interest in the accountancy profession in the Asia and Pacific region which are either:

- Professional accountancy organisations (PAOs) headquartered outside the Asia and Pacific region (as defined by CAPA) and member bodies of the International Federation of Accountants; or
- International organisations that are not PAOs

France



Compagnie Nationale des Commissaires aux Comptes (CNCC)
www.cncc.fr



Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC)
www.experts-comptables.com

United Kingdom



ACCA (Association of Chartered Certified Accountants)
www.accaglobal.com



Association of Accounting Technicians (AAT)
www.aat.org.uk**



ICAEW (The Institute of Chartered Accountants in England and Wales)
www.icaew.com



The Chartered Institute of Public Finance and Accountancy (CIPFA)
www.cipfa.org**

[#] CPA Canada is the national organisation established to support unification of the Canadian accounting profession. Accordingly, CPA Canada has replaced CGA Canada, one of the Canadian bodies involved in the unification, as the Member of CAPA.

* Admitted into the Member category effective 1 January 2015
** Two new Affiliates admitted effective 1 January 2015

Board & Committee Representatives

A Board of up to twelve Members is elected every four years. The Board is assisted by a Governance & Audit Committee (GAC). Members of the committee are selected from within the Board, with the exception of the Chair of the GAC. Roles and responsibilities are set out in Board and Committee charters.

In addition, participation on two working committees, being the PAO Development Committee (PAODC) and the Public Sector Financial Management Committee (PSFMC), is open to the entire CAPA membership in the spirit of inclusiveness.

Member organisation representatives at all meetings may be accompanied by technical advisors from the same member organisations. Technical advisors play a very valuable role in assisting Board and Committee members to perform their

responsibilities and in providing additional voluntary resources and links to their organisations.

The Board meets twice a year. CAPA's Board meetings are organised in a manner that allows all member organisations to participate. These meetings provide opportunities to build relationships and share knowledge. PAOs benefit from such opportunities, especially those that are still developing, since they are able to gain ideas and assistance from the more mature and developed PAOs.

The Board meetings for 2014 were held in:

- Negombo, Sri Lanka – hosted by the Institute of Chartered Accountants of Sri Lanka
- Rome, Italy – jointly hosted by ACCA and ICAEW

Board Member Representatives



Front row, left to right:

1. Shinji Someha, *Japan*
2. Liang Jing, *China*
3. Sujeewa Mudalige, **President**
4. Jackie Poirier, **Deputy President**, *Canada*
5. Anwaruddin Chowdhury, *Bangladesh*

Back row, left to right:

1. Kumar Raghu, *India* (appointed in April 2014)
2. Gill Cox, *New Zealand*
3. Arjuna Herath, *Sri Lanka* (appointed in January 2014)
4. Nadeem Y. Adil, *Pakistan*
5. Low Weng Keong, *Australia*
6. Young Jin Park, *Korea*

Not in photo:

1. Subodh K. Agrawal, *India* (resigned in Apr 2014)
2. Gordon Cherry, *USA* (resigned in September 2014)
3. Jim Knafo, *USA* (appointed in September 2014)

Secretariat

CAPA has a permanent office base in Kuala Lumpur, Malaysia.

The position of Chief Executive is held by Brian Blood, an experienced accountant and previous partner of global accounting firms, as well as a former President and Chair of CPA Australia, a founding member of CAPA.

The Secretariat office is managed by Khoo Mei Leng, Manager Regional Development, assisted by Winnie Lee, Executive, Regional Communications & Events.

The Secretariat is responsible for implementing the strategies approved by the Board.

CAPA Presidents

Gordon M. Macwhinnie*, *Hong Kong*, September 1976

Eduardo M. Villanueva*, *Philippines*, October 1979

Niladri K. Bose*, *India*, November 1983

John O. Miller, *Australia*, May 1985

Hiroshi Kawakita, *Japan*, November 1986

Rex A. Anderson*, *New Zealand*, May 1988

Taesik Suh, *Korea, Republic of*, September 1989

William Mercer, *Canada*, October 1991

Douglas C. Oxley, *Hong Kong*, September 1993

Soon Kwai Choy, *Malaysia*, April 1995

Robert J. C. Jeffery, *Australia*, October 1996

Carlos R. Alindada, *Philippines*, October 1998

Ranel T. Wijesinha, *Sri Lanka*, November 2000

Li Yong, *China, People's Republic of*, April 2002

Robin Hamilton Harding, *Canada*, October 2003

Shozo Yamazaki, *Japan*, November 2005

Kamlesh S. Vikamsey, *India*, October 2007

In Ki Joo, *Korea, Republic of*, October 2009

Keith Wedlock, *New Zealand*, October 2011

Sujeewa Mudalige, *Sri Lanka*, November 2013

* deceased

Governance & Audit Committee Members



From left to right:

1. Josefina G. Chua (**Chair, non-Board member**), *Philippines*
2. Shinji Someha, *Japan*
3. Nadeem Y. Adil, *Pakistan*



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