



Chronicle

August 2005



An Apex Body of SAARC

South Asian Federation of Accountants

SAFA Office Bearers

Md Nurul Hassan	President
Mr Sunil Goyal	Vice President
Mr Badruddin Fakhri	Advisor
Dr Ashok Haldia	Permanent Secretary
Al-Haj Md Matior Rahman	Executive Secretary

Member Bodies

- The Institute of Chartered Accountants of Bangladesh, www.icab-bd.org
- The Institute of Cost and Management Accountants of Bangladesh, www.icmab.org.bd
- The Institute of Chartered Accountants of India, www.icai.org
- The Institute of Cost and Works Accountants of India, www.myciwai.com
- The Institute of Chartered Accountants of Nepal, www.ican.org.np
- The Institute of Chartered Accountants of Pakistan, www.icap.org.pk
- The Institute of Cost and Management Accountants of Pakistan, www.icmap.com.pk
- The Institute of Chartered Accountants of Sri Lanka, www.icasrilanka.com

Permanent Secretariat

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P.O. Box No. 7100, Indraprastha Marg,
New Delhi 110 002, India
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Forthcoming Events

- ICAI-ICASL Joint workshop: 26th August 2005 at Colombo
- Meetings of SAFA Centres of Excellence and Working Groups: 1st & 2nd September 2005 at New Delhi
- ICAI International Conference: 1st & 2nd September 2005 at New Delhi
- 58th SAFA Assembly meeting: 3rd September 2005 at New Delhi
- Tenth ICMAP Management Accountants International Conference: 24th-25th September 2005 at Islamabad

From The President



This is SAFA President calling from Dhaka, Bangladesh. First of all, on behalf of the Presidency, I would like to wish all the member accounting bodies - the professional partners in and of SAFA, the respected members of those accounting bodies and other friends of SAFA a hearty welcome.

Accounting is a major contender among disciplines of various types and order, in making substantial contribution in long range planning and strategic decision-making in the background of accelerating rates of technical changes, increased competition and economic uncertainty which have made the world economy increasingly complex. This has forced the accountants to make difficult decisions of price changes on sales and profits, and the probable effects of research expenditures on growth and on both short-run and long-run profitability.

Now accountants are expected to help their organizations achieve not only growth objective, management objective and profit objective but also citizenship objective by honouring corporate obligations to society and by being an economic, intellectual and social asset to each nation and each community in which the accountants' employer operates.

The accounting profession does not want the birth of another Maxwell, who inspite of reaching high points of a career had deep frustrations and was described by some papers as a 'Crook'. The accounting profession also does not want to see another Anderson as a badly 'wounded accounting firm' nor it would like to see another tragedy of the type of Enron.

SAFA is conscious of all these events and attentive to make its contribution through the works of *Centres of Excellence*. During the past seven months ending July the Presidency has been focusing on the follow-up work on decisions made by the *Centres of Excellence* sometimes through e-mail, sometimes over telephone and sometimes through comprehensive teleconferencing. Since SAFA has been able to develop its own information system, the use of the information technology has been a central activity for the past months.

However, we have not entirely forgotten the non-technological communication system as will be evident from the publication of this SAFA Chronicle and other materials being published by SAFA which enable the members bodies of SAFA to keep track on what goes on and to perhaps get inspired by the work done.

What looks more encouraging is the continued expression of great interest by the member bodies of SAFA, not only in the work of SAFA in general but also in many of the special activities of SAFA's *Centres of Excellence*.

Even though the members may have reservations about the President, SAFA, who has not functioned as effectively as he should have, I am sure they would appreciate the work being done by the Permanent Secretariat of SAFA under the competent guidance of Dr Ashok Haldia and his brilliant officers.

May I conclude this message by thanking all the members for an outstanding response to the activities of SAFA. We, the Presidency, are really looking forward to meeting many of you in New Delhi, the Capital of great India where ICAI is set to hold one of the biggest professional Conferences of not only India but also of this region. The event gains tremendous importance from the fact that the Conference will be inaugurated by none other than His Excellency Dr A.P.J. Abdul Kalam, Hon'ble President of India.

- Md Nurul Hassan
President

57th Assembly meeting

The 57th meeting of the Assembly was held on 8th May 2005 at Karachi. Having considered the recommendations of the Centres of Excellence and Working Groups, the Assembly decided in respect of the following:

- Constitution of Working Group on Networking of Firms
- Adoption of Study on Research in SAFA Member Bodies
- Adoption of 'Accounting Standards vis a vis IAS/IFRS & Standard Setting Process - A Comparative Analysis (Revised)'
- Adoption of 'Auditing Standards vis a vis International Standards on Auditing (ISAs) & International Auditing Practice Statements (IAPSS) and Standard Setting Process - A Comparative Analysis'
- In-principle approval of the Study on VAT in South Asia
- Approval of an Exposure Draft of Code on Best Practices in Corporate Governance in SAFA Countries
- Commissioning of evolution of uniform education, examination and training framework to the Centre of Excellence on Education, Training and CPD



57th SAFA Assembly meeting held on 8th May 2005 at Karachi

Coinciding with the meeting of the Assembly, the meetings of the Centres of Excellence and Working Groups were held on 6th-7th May 2005 at Karachi.

International Conference

SAFA International Conference 'Transformation of Accounting Profession' hosted by ICAP and ICMAP on 6th-7th May 2005 at Karachi dwelled upon the range of issues of emerging significance for the accountancy profession at large on which the representatives of member bodies shared their erudition with the delegates. Nearly 1,100 delegates including 35 international delegates participated in the Conference.

Representation at CAPA Board Meeting

President and Advisor represented SAFA as Observers at the CAPA Board meeting held on 19th-20th May 2005 at Hangzhou. CAPA acknowledged the perennial endeavours of SAFA towards ensuring professional harmony and co-operation amongst accountancy bodies in the South Asian Region as vital for economic prosperity.

Centres of Excellence and Working Groups

Centre of Excellence on Education, Training and CPD

A meeting of the Centre of Excellence was held on 7th May 2005 at Karachi at which the plan of action for activities related to information technology was firmed up and BPO, ERP and compliance with the US Sarbanes Oxley Act of 2002 were identified as prime subjects for training of members. Given the progressive role of the accountancy professionals in the area of information technology, an IT knowledge portal to equip them with updated knowledge in the area was agreed to be initiated.

At its teleconferencing held on 28th July 2005, the Centre of Excellence considered the Exposure Draft of IES 8 'Competence Requirements for Audit Professionals' released by the IFAC Education Committee.

Centre of Excellence on Standards and Quality Control

The Centre of Excellence met on 6th May 2005 at Karachi and approved the analytical studies undertaken in respect of the Accounting and Auditing Standards within the South Asian Region and comparison thereof with pronouncements of IASB and IFAC.

Centre of Excellence on Best Presented Accounts Award & Best Corporate Governance Award

The first meeting of the newly constituted Centre of Excellence was held on 6th May 2005 at Karachi. The Centre of Excellence considered the action plan for adjudication of Best Presented Accounts Award for the year 2004 and revision in the existing categories for the Award & criteria for evaluation of entries nominated under different categories. The teleconferencings have also been held on 8th July 2005 and 3rd August 2005 respectively to determine these modalities.

Working Group on Corporate Governance Practices in South Asian Region

A meeting of the Working Group was held on 6th May 2005 at Karachi at which the draft Code of Best Practices in Corporate Governance in SAFA Countries compiled on the basis of ten fundamental principles identified by the Group was approved for recommendation to the Assembly for release as an exposure draft. The draft has been exposed for comments by the member bodies and other stakeholders.

Working Group to Recommend upon Way Forward for Restructuring of SAFA

The Working Group met on 8th May 2005 at Karachi to consider the viewpoint of member bodies on the issues and propositions put forth in the Discussion Paper on SAFA - Way Forward considered by the Assembly earlier. Another questionnaire setting out these issues and propositions has been circulated amongst member bodies for their viewpoint on the range of proposals.

Working Group on Networking of Firms

At its maiden teleconferencing held on 21st June 2005, the newly constituted Working Group discussed the concept of Networking of Firms and considered the extant framework in respect thereof in India for replication within and across other countries in the Region. The advantages of the concept are being assessed further by the member bodies.

Joint Events

Awareness Programme at Kathmandu

At an awareness programme on Peer Review system and Information System Audit hosted by ICAN on 17th-18th June 2005 at Kathmandu, the ICAI representatives shared the international developments in these areas and the possible approach for activation of these capacity building machineries in Nepal.

ICAI-ICASL Joint Workshop at Colombo

The Joint Workshop on 'Latest Developments in International Financial Reporting Standards including the SME Project' between ICAI and ICASL being organised under the aegis of the Centre of Excellence on Standards and Quality Control on 26th August 2005 at Colombo shall render a platform to the professionals for enlightenment about contemporary developments in the area of financial reporting and worldwide implementation of IFRSs.

SAFA Member Body News

BANGLADESH



ICAB

The following CPE Seminars and Workshops have recently been organised by ICAB:

- Report on the Observance of Standards and Codes: 29th May 2005 at Dhaka
- Harmonisation of Accounting Standards: Global Perspective: 28th June 2005 at Chittagong
- Public Accountant's Liability - An Overview: 3rd July 2005 at Dhaka
- Female Articled Students Challenges and Ways Forward: 30th July 2005 at Dhaka

A host of developmental issues characterising the professional framework were considered at these programmes.



ICMAB

ICMAB Delegation calls on Chairman SEC

An ICMAB delegation led by Mr Ruhul Amin, President called on the Chairman, Securities and Exchange Commission of Bangladesh on 23rd March 2005. The delegation reiterated commitment of the accountancy profession towards strengthening the national capital market.

Meeting with Chairman, National Board of Revenue

Mr Ruhul Amin, President led an ICMAB delegation for a meeting with the Chairman, National Board of Revenue on 27th March 2005. Chairman, National Board of Revenue commended the role of cost and management accountants in smooth functioning of the mechanism for collection of revenue by the exchequer.

INDIA



ICAI

Interactive Workshop on Companies Act

An interactive workshop on simplification of procedural aspects under the Companies Act, 1956 was organised by ICAI under the aegis of the Ministry of Company Affairs, Government of India on 16th June 2005 at New Delhi. A threadbare analysis with a view to simplify and rationalize the procedures and alleviate the complexities in order to ensure adherence to the provisions, was undertaken. ICAI has made extensive recommendations in this regard to the Government of India.

Chartered Accountants' Day Celebrations

ICAI held nationwide celebrations on the Chartered Accountants' Day on 1st July 2005. A commemorative event was organised on the Day at New Delhi at which Hon'ble Minister of Law & Justice, Government of India was the Chief Guest. The programme was addressed, amongst other dignitaries, by Hon'ble Deputy Chairman of the Upper House of the Indian Parliament.

Review of Education and Training Scheme

Based upon the recommendations of the Committee on Review of Education and Training constituted in May 2003, the ICAI Council has in-principle decided to introduce a Common Proficiency Test (CPT) for prospective CA students. Also it is proposed to introduce Professional Competence Examination and increase the period of practical training from three to 3½ years. It is expected that the new scheme shall come into force in later part of 2006 after assent of the Government of India.



ICAI Chartered Accountants' Day event held on 1st July 2005 at New Delhi

Restructuring of ICAI Awards for Excellence in Financial Reporting

ICAI has restructured its Competition for Awards for Excellence in Financial Reporting. The Competition shall now be held for adjudication of Awards under seven instead of three categories based upon the functional classification of various industries. ICAI has been conferring the Awards under different categories for more than 40 years.

International Conference at New Delhi

ICAI shall organise an International Conference 'Accountancy Profession: Adding Value to New Horizons of Economic Growth' on 1st-2nd September 2005 at New Delhi. The International Conference, to coincide with SAFA meetings, shall be inaugurated by Hon'ble President of India and is likely to witness participation of over 1200 national and international delegates from across the globe.

Recent Publications

- Guidance Note on Accounting for Fringe Benefit Tax
- Revised Statement on Companies (Auditor's Report) Order, 2003
- State-Level VAT in India A Study



ICWAI

Election of President and Vice President



Mr Pravarkar Mohanty



Mr B.M. Sharma

Mr Pravarkar Mohanty has been elected President of ICWAI for the year 2005-2006. Mr Pravarkar Mohanty, a fellow member of ICWAI, also

holds postgraduate degree in Commerce and bachelor degree in Law.

Mr B.M. Sharma has been elected Vice President of ICWAI for the year 2005-06.

NEPAL



New Office Bearers



Mr Narayan Bajaj



Mr Binod Bahadur Rajbhandary

The ICAN Council has elected Mr Narayan Bajaj as its President for the year 2005-06. Mr Narayan Bajaj, earlier to his election as President, had been the Vice

President of ICAN in 2004-05. Mr Narayan Bajaj has also earlier served the Association of Chartered Accountants of Nepal as

President and as a member of the Securities Exchange Board of Nepal.

Mr Binod Bahadur Rajbhandary has been elected as the Vice President for the year 2005-06.

Meeting with Secretary General SAARC

An ICAN delegation led by Mr Pushpa Lall Shrestha, the then President called on Secretary General SAARC on 6th July 2005 at Kathmandu. Secretary General SAARC was apprised and he was appreciative of the activities of SAFA and ICAN.

National Best Presented Accounts Award

ICAN has on 30th July 2005 conferred the Best Presented Accounts Award under the 'Financial Institution' and 'Industry' categories.

PAKISTAN



ICAP - A Role Model

Governor, State Bank of Pakistan had a meeting with the ICAP Council members and Past Presidents on 28th January 2005 at Karachi to discuss recent initiatives in education, training and standard-setting. Governor ascribed ICAP as a role model for self-regulatory institutions being the promoter of international standards and best practices.

World Bank's Mission visits ICAP

A World Bank mission met the President and officials of ICAP to discuss the project concerning the Report on the Observance of Standards and Codes (ROSC) and to tender assistance in the institutional capacity building measures in the areas of legal framework, education & training and enforcement.

Revised Audit Practices Manual

Audit Practices Manual previously issued by ICAP in 2000 has been revised to bring it in line with the current international developments. Volume II of the revised Manual consists of practical guidance on audit working papers, letters, reports,

etc. Volume I comprising theoretical guidance on ISAs shall be issued shortly.

Honour to Past Presidents

ICAP honoured the dignitaries having served as its President since 1983 for their invaluable contribution towards development of the profession.



Revision in Syllabus

ICMAP syllabus is being considered to be revised to align it with the requirements of the international education pronouncements of IFAC. The revision is proposed to be effective from December 2005 and the maiden examination under the revised syllabus is slated to be held in May 2006.

10th Management Accountants International Conference

The tenth ICMAP Management Accountants International Conference 'The Management Accounting Profession in the Changing Global Scenario' shall be organised on 24th-25th September 2005 at Islamabad.

SRI LANKA



Management Development Programme

ICASL shall organise a Management Development Programme on Strategic Management Accounting (SMA) for accountants, chartered secretaries, engineers, marketers and other professionals from 4th to 15th August 2005 at Colombo.

Joint Workshop on IFRSs

ICASL shall host a Joint Workshop 'Latest Developments in International Financial Reporting Standards including the SME Project' under the aegis of Centre of Excellence on Standards and Quality Control on 26th August 2005 at Colombo. Mr Paul Pactor, a remarkable authority on IFRSs shall present the standard-setters' perspective on the implementation of international standards in national jurisdictions.

SAFA Website : A dynamic portal to know about activities of SAFA and its member bodies

The website of SAFA acts as a potent source of information on SAFA, its Centres of Excellence, Working Groups, projects undertaken and forthcoming events and the initiatives of its eight member bodies in five countries.

Visit us at : www.esafa.org

Write to us at safa@icai.org