



The Report of the President for the year 2005

As President of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) I am pleased to report to you on behalf of Council, our achievements for 2005. The Institute is celebrating its 35th year since its incorporation in September 1970.

ICATT is the only legal accounting body recognised by the Government through the Company's Act. ICATT was incorporated in 1970 with the aim of improving and enhancing the development of the accountancy profession in Trinidad and Tobago. ICATT is a non-profit organization and continues to do so with its limited resources at its disposal. The affairs of ICATT is presently managed by a Council of eleven members and supported by eleven Committees, elected in accordance with the provisions of the Act. It is an organisation that accountants and the business community can look to for advice. The Government also looks to ICATT for input in legislation and budgetary advice.

Council

At the last Annual General Meeting the following persons were elected to Council:

Mr. Garvin Francis-Lau; Mr. Nicholas Gomez; Mrs. Sohaila Omardeen; Mr. Sean Ramirez; Ms. Lisa Rampersad and Mr. Prem Samodee.

During the year Mr. Joel Edwards; Mr. Nicholas Gomez; Ms. Lisa Rampersad and Mrs. Sohaila Omardeen resigned from the Council. Heartfelt thanks to these four members for their time and contributions to ICATT during the past year. We wish them all the best for 2006.

Strategy Workshop

On September 3, 2005 ICATT held its Strategic Planning Workshop at the Kapok Hotel. Present at the workshop were some of ICATT's council members including the President and Corporate Secretary. The workshop was facilitated by Jewan Ramcharitar, Managing Director of PricewaterhouseCoopers Management Consultants Limited. In addition, a presentation of the results of the workshop was made to Council members on September 7, 2005.

The main objectives of the Strategic Planning Workshop were:

- To develop the Vision for the long term development of ICATT;
- To define and understand the framework essential for the success of ICATT;
- For ICATT's leadership and key stakeholders to perform and own this exercise;
- To achieve consensus, buy-in and commitment through shared ideas and dialogue.

ICATT will pursue further strategic meetings and seek funding from the IADB to achieve these objectives.

Membership Committee

At the start of 2005, membership in ICATT stood at 597 of which 178 held Practicing Certificates.

Membership in 2005 continued to expand. A summary of successful new applications for 2005 showed:

- 34 - New Membership applications.
- 7 - New Practicing Certificate applications.

A list of members holding Practicing Certificates was published in the Guardian Newspapers in November 2005.

Regrettably, during the year **Byron William**, a long-standing member of the Membership Committee and a prior Chairman of this Committee and a holder of a Practicing Certificate, passed away.

In 2006, it is hoped that there will be significant growth in membership in the light of the number of new entrances into the profession through examination and the corresponding increasing benefits that membership in ICATT will receive. Benefits include lower fees for workshops/lectures, mounting of programmes to satisfy continuing professional development, representation to the Government of Trinidad and Tobago on taxation, company law and related matters, provision of effective networking among professional colleagues, provision of an opportunity to serve the profession, etc.

Finance and Administration Committee

In the desire to better service our members, graduates, students, committees and stakeholders, the Finance and Administration Committee initiated a number of changes with the approval of Council.

We evaluated the current staff and office operations. Based on the results, we restructured the office operations. This process resulted in new staff positions being created. Current staff members were offered the opportunity to fill the positions for which they were suitable. In the process four senior positions were created, one was filled from inside and another was outsourced. Other positions remained unfilled due to office space constraints and/or, us being unable to identify a suitable candidate.

Our consultant was instrumental in our restructuring, training of staff and transformation of the office into a more efficient and effective operation.

We commend the entire office staff for their contribution and efforts towards the materialization of improvements in the operations of the institute.

Early in the year we successfully negotiated to acquire the office space next to our existing office. We now have the use of the entire top floor of the eastern building of the Trinidad and Tobago Group Professional Association (TTGPA) Compound. We have received approval from the TTGPA to do the necessary renovations which will enable us to combine the two offices to accommodate the additional office space required to better serve our institute's holistic requirements.

Investigation Committee

During the term 2005/2006 the Investigation Committee formally dealt with six (6) matters. Three of these matters were brought forward from prior years. One matter outstanding since 2002 was

dismissed. Further information on a 2004 matter was requested by the Disciplinary Committee, and was provided to them. After taking legal advice, the Committee declined to further review another 2004 matter. Three matters were formally referred to the Committee during the period. One was a complaint against an accounting firm which the Committee was able to settle amicably between the parties with no further action. The other two new matters related to alleged flaws in published financial statements / audit reports. The Committee has asked the Accounting and Auditing Committee to review the financial statements in question and advise on the technical issues raised.

Disciplinary Committee/Appeal Committee

During the term 2005/2006 the Disciplinary Committee heard two cases which were referred to them by the Investigation Committee. In both cases, the Committee found the complaints proven and imposed sanctions. In one case, the member has appealed the decision.

Legislation Committee

The Legislation Committee has been closely monitoring government's proposed implementation of the White Paper on Reform of the Financial Services Sector and the implications of proposed reforms on the practice of accountancy and financial reporting in Trinidad and Tobago.

Members may recall that in 2004, ICATT was invited to comment on the Green Paper on Reform of the Financial Services Sector, which we did and attended meetings with the Green Paper Committee. We were instrumental in ensuring that the reform proposals duly recognize ICATT as the authority on financial reporting issues and the adoption in any proposed legislation of International Financial Reporting Standards. Cabinet accepted the Green Paper Committee's recommendations and issued the White Paper, which represents Government's Policy.

The roll-out plan for implementation of the White Paper is now starting to take effect with proposed amendments to the Financial Institutions Act (FIA), the Insurance Act (IA), the Securities Industry Act (SIA) and the Central Bank Act (CBA). Additionally, a new regulatory framework has been approved by cabinet for the Credit Union Sector and work is in an advanced stage on a new act to regulate the financial operations of credit unions.

Taxation Committee

During the year ICATT was represented on the Non Energy Tax Reform Committee headed by the Permanent Secretary in the Ministry of Finance. ICATT played a significant role in providing input to the Ministry and continuously consults with the Ministry providing them with the issues that our practitioners and members of our business community faces. ICATT through its Tax Committee will continue in this role by being a member of the Advisory Committee for the Revenue Authority.

In keeping with our goal to provide our members with up to date information on the tax legislation in T&T, the ICATT held 2 tax seminars covering the Income Tax, Corporation Tax and VAT. Following these seminars a breakfast seminar was done on the issues raised in the 2006 budget as presented by the Minister of Finance. ICATT will continue in this vain for 2006 and a full 2 day seminar will be held in April 2006. This course will once again be facilitated by Ernst & Young and PricewaterhouseCoopers.

Finance Act 2006

The recent presentation of the 2005-2006 Budget by the Honourable Prime Minister and Minister of Finance has come at a time when the social issues, including social development, education and training and crime affecting our country are at the top of every citizen's mind. If these issues are not

adequately addressed, the discussions on growth initiatives and sustainable development will be in vain. The overall theme of the budget was tax simplification, streamlining, and on overall reduction in the tax paid by companies and individuals.

It is now imperative for the government to ensure that with the reduction and simplification of taxes, there is also increased compliance and enforcement.

Inter-American Development Bank (IDB)

In March 2003 The Institute of Chartered Accountants received a grant from the Multilateral Investment Fund administered by the Inter American Development Bank. The overall objective of this project is to strengthen the accounting profession in Trinidad and Tobago. The purpose of the project is to improve the usefulness of the annual financial statements of business entities in Trinidad and Tobago by providing investor – desired qualities of transparency, reliability and comparability. Total estimated cost of the project –USD\$1,015,000

To date more than USD\$250,000 has been invested in this project. In 2005 ICATT hired a consultant to embark on a Training Needs Assessment which will assist the Institute in the elimination of technical skills gap which will impede the universal application of and compliance with International Financial Reporting and Auditing Standards in Trinidad and Tobago. This consultancy is almost completed; a draft report has been submitted. The Development of Technical information as Implementation Tools will start in March 2006 and be completed by June 2006. The following consultancies will also begin in 2006: Implementation and application of IFRSs, Enforcement of IFRSs and ISAs – under this consultancy a framework for compliance issues will be developed. Firms have already been pre qualified to provide this service. A Members' Needs Assessment will be embarked upon to be followed by a new Strategic Plan. Projected expenditure for 2006 is USD\$436,122.

ACCA

ACCA and ICATT's joint graduations were held for the CAT and ACCA affiliates during the months of July and October 2005 respectively. At both graduations, affiliates were treated to fabulous ceremonies in their honour. Also, both graduations were held at the Crowne Plaza and were well attended. There were 174 registered graduates during this period.

The Institute continues to work closely with the ACCA Caribbean office on joint CPD courses for the development of both members of ICATT and ACCA.

Accountants' Week – 2005

Accountants' Week was held during the period November 14 – 18, 2005 and on November 25, 2005. The week's activities included the publication of a supplement in the Trinidad Guardian on Sunday 13th November, 2005. Several interesting articles were published by my colleagues and stakeholders.

Our Accountants' Week is aimed at profiling the Institute in order to increase the membership. There are approximately 1600 graduate members and members of other bodies who are entitled to become members in ICATT.

ICATT would benefit enormously both financially and otherwise from having a larger talent pool from which to draw if most of these qualified accountants become members of ICATT.

As accounting professionals we have the tremendous responsibility to ensure that the ethics and

integrity of our members are of the highest standards following the global accounting scandals. In seeking to ensure that this does not occur on the local arena we hosted workshops in the areas of:

- (i) Changes In Tax Legislation – Impact on the business community;
- (ii) Anti Money Laundering and Accounting in the New Millennium covering areas of Governance, Accountability and Performance;
- (iii) On the hard issue of soft skills we had an interesting communication skills seminar on Difficult Conversations;
- (iv) Breakfast meeting – savings and investment.

We culminated the week with a cocktail for our members and their friends.

Institute of Chartered Accountants of the Caribbean (ICAC)

During the year ICAC concentrated on areas of Practice Monitoring and Professional Indemnity Insurance and conducted its Strategic Planning Retreat which was facilitated by Barry Eligon and Axel Kravatzky of Aegis Management Solutions using an approach called Appreciative Inquiry (AI). The Board agreed on the new ICAC Vision and a Strategy Map reflecting these provocative propositions in

- International Recognition
- Caribbean Expansion
- Improved / Enhanced Services to its members

Closing remarks

Council joins me in extending our gratitude to all the Committee members, general membership, stakeholders and staff of the Secretariat, for their dedication, commitment and support during the past year to the Institute. Also, we extend our gratitude to all the professionals, non-professionals and businesses that supported us during our Accountants' Week celebration.

I would personally like to thank my other committed members of the Council for their yeoman service as well as our hardworking secretariat and I extend my heartiest appreciation to all for their time and contribution in helping to develop ICATT to what it is today.

As we strive to meet the needs of our members and accountants at large, we would require more than ever, the continued support of all to effect positive change in the accounting profession.

Angela Lee-Loy
President