

# Powering Economic Prosperity in Asia



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## MESSAGE from the PRESIDENT

As a professional accountant working in the public sector, I am proud of CAPA's efforts to advocate for improved accountability, transparency and financial reporting within this sector. Globally, many stakeholders are calling for action in this area, and none more so than the accountancy profession itself. The International Federation of Accountants (IFAC), which represents the global profession, issued a communiqué to the G20 when they met in September in China calling for sustainable, inclusive growth that benefits the world's citizens.

CAPA's dedicated focus on improving public sector financial management commenced a few years ago, supported by a related working committee. This year witnessed the culmination of more recent efforts - these are discussed throughout this report. In addition to advocating for improvements, the accountancy profession is intimately involved, whether as an advisor to governments, or as designer, implementer, executor, reporter, reviewer or assurer. It is therefore important that accountants working in the public sector are well educated, trained, served and supported by a professional accountancy organisation (PAO).

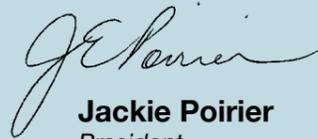
Effective, well-run private and public sectors engender confidence in investors and lenders, and the accountancy profession is often central to this. Indeed, a research undertaken by IFAC indicates a strong correlation between Gross Domestic Product (GDP) per capita in a country, and the number of professional accountants as a percentage of total employment. Further, the analysis provides data on a regional basis and this indicates the continued need to develop and grow the accountancy profession in Asia.

To this end, I am also proud of our PAO development work. An array of related projects have been concluded, progressed or commenced during the year. The outputs of these projects are being shared throughout the accountancy profession globally, since parts of Asia and the Pacific are not the only places in need of further development. CAPA members continue to be very appreciative of the support of development partners to help us undertake this work, notably the World Bank and the Asian Development Bank, and we offer our heartfelt thanks.



The success of any organisations such as ours is often reflected in being requested to speak at various events regarding our work, and this was certainly the case in 2016. It therefore made for a busy year for those involved. My thanks to the Chief Executive and the Secretariat for making all of this happen.

I am looking forward to my second year as President, which will see us continue our PAO development work, whilst also embarking on new initiatives, which will be informed by some survey work currently being completed.

  
**Jackie Poirier**  
President

## MESSAGE from the CHIEF EXECUTIVE

We entered 2016 knowing that we would have a reasonable focus on public sector related activities, but not necessarily to the extent that unfolded.

The staging of a high-level invitation-only regional public sector related forum in May, the culmination of nearly two years of planning and preparation, was always going to be the centrepiece of our year. The event was also going to be when we launched our next publication '*Attracting and Retaining Finance Personnel in the Public Sector*', another major piece of work for the organisation.

Early in the year, we had the opportunity to 'pilot test' the publication during an outreach meeting to Bangladesh, where in recent years we have noted an increasing desire and commitment for improving public sector financial management. This greatly assisted in finalising the publication for its subsequent launch.

A most pleasing aspect of the forum in May was that it was attended by over 200 persons spread widely and evenly over some 30 countries. The support of the World Bank was instrumental in being able to attract the 'right' persons to the event.

The new publication certainly attracted attention, and following requests it has subsequently been directly shared with and presented at:

- A Regional Accounting Forum staged by the Asian Development Bank in Bangkok
- A Public Financial Management event for African countries held in Madagascar
- The International Conference staged by the Institute of Chartered Accountants of India

Our major project funded by the World Bank completed during 2016, after over two years of work with our members in Mongolia, Philippines and Vietnam. The on-line CPD systems toolkit developed as part of the project, together with a supporting training video and associated Guide, the first in our planned *Guidance Series* to support the *Maturity Model for the development of Professional Accountancy Organisations*, were all launched during the year and made available on a global basis.



The Guidance Series is an exciting initiative for CAPA, and we look forward to issuing a number of other Guides in 2017.

In closing, I would like to thank the various representatives and advisors from our members who contributed towards our activities, without which it would all not be possible. As we enter 2017, we do so knowing we have certain projects and activities underway, whilst at the same time seeking to embark on exciting new initiatives. It is shaping up to be a very interesting year.

  
**Brian Blood**  
Chief Executive

# THE YEAR IN SUMMARY

## STRATEGIC INITIATIVES

- The 2<sup>nd</sup> Financial Reform for Economic Development (FRED II) Forum was held in May in Kuala Lumpur, Malaysia and attracted over 200 participants from more than 30 countries. This high-level invitation-only regional forum, jointly organised with the World Bank, was focused on the public sector. We were pleased to also work closely with the Japan International Cooperation Agency (JICA), the Chartered Institute of Public Finance & Accountancy (CIPFA), PwC Malaysia and the International Federation of Accountants (IFAC).
- Following on from the 'Eight Key Elements of PFM Success' publication issued by CAPA in 2014 we launched 'Attracting and Retaining Finance Personnel in the Public Sector' at the FRED II Forum. It explores the issue of capacity and capability by promoting a multi-stakeholder approach to address the associated challenge.
- A Public Sector Roundtable event was held in February in Dhaka, Bangladesh, attended by close to 40 participants consisting of representatives from the Bangladesh public sector and accounting profession, various regulatory and institutional bodies, leaders from the business community, the World Bank and Asian Development Bank, and members of CAPA's Public Sector Financial Management (PSFM) Committee.
- Our three-year capacity-building project, *Improving Continuing Professional Development (CPD) Systems of National Professional Accountancy Organisations (PAOs)* funded by the World Bank, was completed. A CPD Systems Toolkit (an online application), a training video, and an associated CPD Guide are now available to all PAOs around the world.
- We held our first Board meeting of the year in May in Kuala Lumpur, Malaysia, hosted by our 3 Australian and New Zealand members – CPA Australia, Chartered Accountants Australia & New Zealand and the Institute of Public Accountants.
- The PAO Development Committee (PAODC) met in Ulaanbaatar, Mongolia in July for an outreach meeting at which members from Mongolia used the 'Maturity Model' to undertake a self-assessment to consider opportunities to further develop and advance their organisation and the profession in their country.
- During the outreach visit to Mongolia, CAPA's PAODC had the opportunity to join our member, the Mongolian Institute of Certified Public Accountants (MonICPA), in a Roundtable session led by the World Bank focused on the *Report on the Observance of Standards and Codes Accounting and Auditing (ROSC A&A) Review* for Mongolia.
- Whilst in Ulaanbaatar, a small delegation comprised of CAPA and the World Bank representatives visited the Ministry of Finance of Mongolia to discuss public sector financial management developments in Mongolia. Further, the CAPA Chief Executive was involved in a televised interview regarding the importance of the accountancy profession that was screened on Bloomberg TV.
- We held our second Board meeting of the year in October in Hyderabad, India, hosted by the Institute of Chartered Accountants of India (ICAI). Whilst in Hyderabad, CAPA President and Chief Executive presented at the ICAI's International Conference on topics related to public sector financial management and audit and risk committees respectively.
- We continued to work on producing Guides forming a 'Guidance Series' to support CAPA's *Maturity Model for the development of Professional Accountancy Organisations (PAOs)*. In addition to the CPD Guide issued in 2016, we will issue a number of other Guides in 2017.
- A capacity-building project focused on *Audit Quality Assurance Systems* funded by the Asian Development Bank was significantly progressed. Consultants continued to work with the PAOs in Cambodia, Myanmar, Nepal, and Samoa whom are direct recipients of the project. The outcomes of this project include a Guide that will assist all PAOs. It is due for completion in early 2017.
- 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).

- In October, the Chief Executive participated and presented at the fourth Public Sector Accounting Regional Workshop organised by the Asian Development Bank in Bangkok, Thailand. This involved advocating and sharing the associated publication for 'Attracting and Retaining Finance Personnel in the Public Sector'.
- Relationships were advanced during the year with our fellow regional organisation for Africa, the Pan African Federation of Accountants (PAFA). The Chief Executive participated in many discussions with PAFA leadership and members around their Board meeting in October.
- Aligned to the PAFA Board meeting in October, at the request and with the support of IFAC, the Chief Executive presented at a joint PAFA and FIDEF (Fédération Internationale des Experts Comptables et Commissaires aux Comptes Francophones) event in Madagascar titled 'Public Financial Management – Strengthening Institutions and Accountability'.
- We admitted a new Member in July – the Institute of Certified Management Accountants of Sri Lanka (CMASL).



Jackie Poirier, CAPA President (left) with Prof. Lakshman Watawala, CMASL President (right).



Hennayake Bandara, CMASL Council Member (left), representing the institute at its first CAPA Board meeting in Hyderabad, with Brian Blood, CAPA Chief Executive (centre) and Jackie Poirier, CAPA President (right).

## OPERATIONAL ACHIEVEMENTS

- Members and the Board gathered for meetings in:
  - Kuala Lumpur, Malaysia – 46 attendees
  - Hyderabad, India – 45 attendees
- Representatives and technical advisors gathered for the following committee meetings:
  - PSFM Committee: Dhaka, Bangladesh – 8 attendees
  - PAO Development Committee: Ulaanbaatar, Mongolia – 17 attendees
- We achieved a better-than-budget financial result whilst undertaking a number of Board-approved, but unplanned activities.
- A revision of the company's Articles of Association to comply with a new Hong Kong Companies Ordinance was commenced.

## The Role of Accounting in Powering Economic Prosperity in Asia



Setting the scene in Asia, panelists discussing the implications for PFM (left to right): Fayeuzul Choudhury, Chief Executive Officer, IFAC; Rogier J.E. Van Den Brink, Program Leader, Equitable Growth, Finance & Institutions, World Bank; Sandeep Saxena, Senior Economist, Fiscal Affairs Department, IMF; Patrick S.E. Tay, Executive Director, Advisory, PwC Malaysia; Faris Hadad-Zervos, Country Manager for Malaysia, World Bank.

When a new set of Sustainable Development Goals were released last year, it was encouraging to see stakeholders aligned on addressing systemic and structural roots of global poverty – the need to build effective, accountable, and transparent institutions. It's a goal that government leaders of Asian nations are united behind – and was a topic addressed at the second **Financial Reform for Economic Development Forum in Asia (FRED II)**, held in mid-May in Kuala Lumpur, Malaysia. This event was staged by the Confederation of Asian and Pacific Accountants (CAPA) and the World Bank, with aspects sponsored by the Japan International Cooperation Agency (JICA), the Chartered Institute of Public Finance & Accountancy (CIPFA) and PricewaterhouseCoopers (PwC) Malaysia.

The World Bank's twin goals are to reduce extreme poverty and to promote shared prosperity and greater equity in the developing world. In order to meaningfully address both poverty reduction and shared prosperity, strong financial management is crucial in paving the way for more accountable and transparent institutions. In addition to this, enhanced public financial management

is essential to delivering sustainable and high-quality public services achieving desired outcomes, as well as minimising the incidence of fraud and corruption. Improved public sector reporting also equips citizens with more information and paints a clearer picture of a government's ability to meet its obligations. Consequently CAPA, as the organisation representing the interests of the accountancy profession in the region, was the ideal partner for this event.

At FRED II, stakeholders came together to share their experiences in public financial management, addressing challenges and exploring opportunities. The Secretary General of Treasury of the Malaysian Ministry of Finance, Tan Sri Dr. Mohd. Irwan Serigar bin Abdullah, opened proceedings. Representatives from the organisers and sponsors then joined with representatives from a diverse range of other interested parties such as the International Federation of Accountants (IFAC), supreme audit institutions, the International Monetary Fund (IMF), the Asian Development Bank (ADB) and various government officials to share experiences, build relationships and develop insights on the scalability of reform efforts.



Aspects of the forum were sponsored by CIPFA, PwC Malaysia and JICA. (top): Public sector representatives from Maldives with Salema Hafiz, Head of Marketing, New & Emerging Markets, CIPFA. (middle): Representatives from the PwC Malaysia office. (bottom): Noriharu Masugi, Director of Industrial Development & Public Policy, providing a background on JICA's activities at the networking reception.



Panelists presenting views from the profession (left to right): Arjuna Herath, Past President, Institute of Chartered Accountants of Sri Lanka; Helen De Guzman, President, Asian Confederation of Institutes of Internal Auditors; Dato' Mohd. Faiz Azmi, President, Malaysian Institute of Accountants & Executive Chairman, PwC Malaysia.

Some of the key insights that contributed to the forum's overall objective included the importance of partnerships and collaboration, political will and commitment from leaders, and talent management to drive future outcomes in the form of strengthened accounting, auditing, financial management and performance measurement practices in the public sector. These were subjects discussed and debated over the course of two days by leaders of the accountancy profession, heads of supreme audit institutions, senior government officials and development partners from more than 30 countries.

Fayeuzul Choudhury, Chief Executive Officer of IFAC, explained that the first step of getting the data right is a challenge in itself. Therefore, there is a need to examine current accounting practices and address any flaws through dialogue, which will hopefully result in better accountability and transparency. Importantly, these values should be reflected by every single person in the profession when carrying out their duties, and accountants must realise they have the responsibility for instigating change.

Brian Blood, Chief Executive of CAPA, reiterated the need for strong public financial management (PFM) and discussed the importance of professional accountancy organisations (PAOs) in engaging with the public sector to bring about change, noting "good decision-making is founded on good information".



(left to right): Leslie Kojima, Lead PFM Consultant, World Bank; Fayeuzul Choudhury, Chief Executive Officer, IFAC; Shinji Someha, Executive Board Member, JICPA.

# KEY ACHIEVEMENTS & ACTIVITIES IN 2016

## Public-Private Partnerships

An interesting session focused on the topic of public-private partnerships (PPPs). Syed Afsor, CEO of PPP Office of the Prime Minister, Bangladesh, opened the topic by outlining Bangladesh's national PPP program, while driving home the message that partnerships with financial advisors is the key to creating a successful PPP. Using Japan as an example, Eiji Koga from JICA concurred by saying that in order to fill Japan's huge gap in investment in the areas of climate change mitigation and non-energy infrastructure in Japan, collaborations between the private and public sectors are needed to cultivate an enabling environment for PPPs to accelerate national infrastructure development.



Despite the risks associated with PPPs, it was clear at the end of the panel discussion that PPP projects offer a wide range of benefits such as innovation, superior project management and risk alleviation, which can eventually contribute to the greater development of a country. In executing such partnerships however, it was noted that accounting expertise was crucial especially in areas relating to project finance, corporate finance, risk allocation and social economic analysis. The growth of PPPs in Asia is exciting, yet it also begs the question as to whether there are enough accountants with the necessary skills, particularly in the public sector, to ensure such programs are successful.



The PPP panelists (left to right): Andrew Kinloch, Managing Director, Logie Group Ltd. Hong Kong; Syed Afsor H. Uddin, CEO, PPP Office of the Prime Minister, Bangladesh; Eiji Koga, Senior Advisor to Director General, JICA; Nonito Bernardo, Senior Investment Officer, International Finance Corporation; Stephen Schuster, Senior Financial Sector Specialist, Asian Development Bank.

Participant, Joel L. Tan-Torres, Chairman of the Philippines' Board of Accountancy, posing a question to the PPP panelists.



Panelists in Breakout 1 explored the challenges in implementing IPSAS (left to right): Srinivasan Janardanam, Principal Financial Management Specialist, ADB; Ting Choo Wai, Executive Director, Public Sector Finance, PwC Malaysia; Binsar H. Simanjuntak, Indonesian Government Accounting Standards Committee; Ian Carruthers, Chair, IPSAS Board; Rajendra Prasad Nepal, Financial Comptroller General of Nepal.



Panelists in Breakout 2 explored collaborating with the private sector in undertaking public sector audits (left to right): Jamal Abdul Nasir Usmani, Deputy Auditor General of Pakistan; Michael G. Aguinaldo, Chairman, Commission on Audit of the Philippines; Gamini Wijesinghe, Auditor General of Sri Lanka; Lyn Provost, Controller & Auditor General of New Zealand and Secretary General, PASAI; Vincent Tophoff, Senior Technical Manager and Accountability, Now Leader, IFAC.

## Talent Needed

The issue of 'winning the war' for talent, especially specialists, within the public sector workforce is vital in ensuring the success of PFM. This issue was examined during the launch of CAPA's publication titled 'Attracting and Retaining Finance Personnel in the Public Sector'. The publication discusses human resource challenges faced by the public sector, both generally and for accountants, particularly in developing economies. In comparison with the private sector, this includes a generally poor perception of the work environment, a compensation gap, inflexible bureaucratic systems and slow career advancement. The World Bank's Country Director, Pakistan, Illango Patchamuthu, echoed this challenge by calling for partnerships with educational institutions to provide quality training on financial systems and reporting.



All participants received a copy of CAPA's newly launched publication

According to a UNDP study however, there are still many reasons individuals would opt for a career in the public sector, citing an attraction to public policymaking, commitment to the public interest and civic duty, and a sense of compassion. For these reasons, creative strategies were recommended to be able to respond to the challenges raised, amongst which was initiating a multi-dimensional approach involving nine stakeholders, including PAOs, at three different levels. CAPA suggests policy-shapers and influencers, advocates and front line stakeholders all have a role to play, and PAOs, if appropriately resourced, can take a central role.

A copy of CAPA's publication titled 'Attracting and Retaining Finance Personnel in the Public Sector' is available on the CAPA website (see page 21 for more information).

## Managing Resources



Panelists presenting country case studies and considering lessons learnt from around the world (left to right): Noriharu Masugi, Director of Industrial Development & Public Policy Department, JICA; Jennifer Thomson, Director of Operations Policy & Country Services, World Bank; Ian Ball, Chair, CIPFA International; Ross Campbell, Director of Public Sector, ICAEW; Sofia Dahiya, Joint Controller General of Accounts, Ministry of Finance, Government of India.

In considering the forum's mantra, 'Driving Future Outcomes from Past Experience', experts looked at case studies from countries such as New Zealand, Greece, United Kingdom and India to draw lessons and insights on public financial management systems. As an interesting aside, it was observed that resource-rich countries need to better manage their resources and sovereign wealth funds in order to achieve fiscal stability. It was agreed that good fiscal performance comes hand in hand with a coherent PFM system as well as political commitment.

One must also keep in mind that the operational landscapes of countries differ, with cultural, social, and economic factors influencing the way policies are constructed. An interesting takeaway from an Indian case study was their ability to leverage technology to produce better public financial management. India's current e-system serves as a vehicle for greater transparency, more efficient and effective service delivery and reduced revenue leakages through improved tracking and monitoring systems.

## Transforming Data into Solutions



The Open Forum session featured active dialogue between panelists and participants (left to right): Brian Blood, CAPA Chief Executive; Tan Sri Ambrin bin Buang, Auditor General of Malaysia and Chair of Asian Organisation of Supreme Audit Institutions; Dato' Mohd. Faiz Azmi, President, Malaysian Institute of Accountants & Executive Chairman, PwC Malaysia; Ian Ball, Chair, CIPFA International; Fily Sissoko, Manager for South Asia Region, Governance Global Practice, World Bank; Roberto Tarallo, Manager for East Asia Pacific Region, Governance Global Practice, World Bank.

Ultimately, the key takeaways from the forum centered on what good public financial management actually means at the end of the day. More than just robust technical skills, successful public financial management is the ability to transform the data and knowledge gathered into sustainable, real-life solutions that influence the economies which we live in. Real value comes from using the numbers to support policy and decision making. These can be achieved through conducting trend analyses and detecting the cause and effect relationships between data. This is especially important in a time when the environment in which our society operates is constantly changing.

The future is uncertain and is being shaped by the boom of the sharing and digital age, influencing government revenue and affecting public debt. Citizens are expecting more from their governments as well, demanding transparency and better decisions regarding expenditure and taxation. The challenges we face are varied, ranging from a lack of political will to a lack of capacity and capability. But the role of every accountant and industry professional is important in facing these matters. As put by Jackie Poirier, President of CAPA, in her closing speech, "moving forward, we must realise the power of one. Every single person in the industry has the potential to create impactful change through their individual actions."



Public sector representatives from Indonesia with Aucky Pratama, Executive Director, ASEAN Federation of Accountants (far left).

Public sector representatives from Korea with Young-Jin Park, Vice President, KICPA and Past Chair of CAPA PSFMC (2<sup>nd</sup> from left), Anna Yoon and Claire Choi from the KICPA International Affairs Department (3<sup>rd</sup> and 6<sup>th</sup> from left).



Public sector representatives from Kiribati, New Zealand and Timor Leste with Jerome Kado, President, FIA (3<sup>rd</sup> from left) and Robert Gilfoyle, Senior Financial Management Specialist, World Bank (4<sup>th</sup> from left).



This article is a summary of the outcomes of the forum and was published after the event for CAPA members and stakeholders to reproduce in their organisation's journal or website.

## ICAI International Conference – The Quest for Excellence: Imbibing Knowledge, Imparting Wisdom, Impressing the Economy

The Institute of Chartered Accountants of India (ICAI) held an international conference in Hyderabad, India, following CAPA's Board and Committee meetings in late October. CAPA President and Chief Executive and selected representatives of CAPA members were invited to present at the conference which was attended by nearly 3,000 local and international delegates.

CAPA President, Jackie Poirier, was the moderator for a session titled 'Enhanced Public Sector Financial Management for National Development – Key Trends'. Apart from moderating the session, she also presented on CAPA's recent publication 'Attracting and Retaining Finance Personnel in the Public Sector' and shared her experience working in the public sector in Canada.

CAPA Chief Executive, Brian Blood, participated in a session titled 'The Quality Imperative Bridging the Unbridgeable' and presented on audit committees, internal audit and risk management from an Australian perspective.

Others who presented at the conference included CAPA member representatives from the Chartered Accountants Australia and New Zealand (CAANZ) and the Institute of Chartered Accountants in England and Wales (ICAEW).



Leaders of the profession and Chief Guest at the inauguration ceremony (front row, from left to right): Nilesch Vikamsey, Vice President, ICAI; Devaraja Reddy, President, ICAI; Shri M. Venkaiah Naidu, Honourable Minister of Urban Development, Housing & Urban Poverty Alleviation and Information & Broadcasting, Government of India; Jackie Poirier, CAPA President; Manoj Fadnis, CAPA Deputy President.

## 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



Sitting, left to right:

1. Prakash Lamsal, *Nepal*
2. Andrew Conway, **Chair**, *Australia*
3. Jean Ettridge, *United Kingdom*
4. Tishanga Kumarasinghe, *Sri Lanka*

Standing, left to right:

5. Jim Knafo, *United States of America*
6. Lyle Handfield, *Canada*
7. Shigeaki Kobayashi, *Japan*
8. Devaraja Reddy, *India*

Not in photo:

1. Yang Chenhui, *China*
2. Arjuna Herath, *Sri Lanka*

## Outreach visit to Mongolia – Maturity Model workshops



T.S. Jigden, *MonICPA President*, welcomed the PAODC to Mongolia

CAPA held an outreach visit in Ulaanbaatar, Mongolia, in early July with the PAODC staging various events and activities hosted by the Mongolian Institute of Certified Public Accountants (MonICPA). The main activity during the visit was a workshop using the Maturity Model.

Representatives from MonICPA prepared in advance and then discussed the assessment of the state of development of their organisation with a core focus on continuing professional development (CPD) since the institute was one of the PAOs involved in the World Bank funded capacity building project focused on CPD. PAODC members facilitated the discussions with a view to identifying possible development and improvement opportunities. It was evident that the organisation is continuing to develop, grow and mature, and the representatives agreed that the discussions will assist in forming strategies and development plans for their organisation going forward.

About 17 participants were involved, including members and observers of the PAODC together with a representative from the Japan International Cooperation Agency (JICA) and two from the World Bank. Participants came from nine countries, being Australia, Canada, India, Japan, Korea, Nepal, Sri Lanka, United Kingdom and the United States of America.



C. Chimidsuren, *Chief Executive Officer of MonICPA*, presented outcomes of the Maturity Model self-assessment.



Participants of the Maturity Model workshop

# KEY ACHIEVEMENTS & ACTIVITIES IN 2016

## Exploring opportunities for PAO Development

One of the ways for CAPA to keep abreast of capacity building activities is by staying engaged with the global profession and donor community to explore opportunities for the profession in the region. Over the last few years, CAPA has been actively participating in meetings of the PAO Development Committee of the International Federation of Accountants (IFAC) and the Steering Committee meetings of MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration).

In mid-October, the annual meeting of the MOSAIC Steering Committee, which was held alongside the IFAC PAO Development Committee meeting, occurred in Cape Town, South Africa. The Chief Executive was able to provide an update on latest developments. Inter alia, this included the completion of the World Bank funded capacity building project on a program to strengthen CPD systems in professional accountancy organisations and the progress of the Quality Assurance for Audit project funded by the Asian Development Bank.

The meetings are an opportunity to advance our strategy of strengthening relationships with donor agencies and the IFAC PAODC. Such engagement continues to be valuable and important for CAPA's strategies to bring about collaboration opportunities for the future.



Breakout group discussions at the MOSAIC Steering Committee meeting in Cape Town.



Strategy sessions at the IFAC PAO Development Committee meeting in Cape Town.

## Donor Funded Projects

During the year, we completed our project with the World Bank focused on CPD Systems (see page 18 for more information), and there was significant progress with the Asian Development Bank funded project focused on Quality Assurance for Audit. These projects bring direct benefits to various countries, whilst providing materials that can be accessed by professional accountancy organisations around the world.

| QUALITY ASSURANCE FOR AUDIT      |   |
|----------------------------------|---|
| Development Partner              | <ul style="list-style-type: none"> <li>Asian Development Bank (ADB)</li> </ul>  |
| Recipient PAOs                   | <ul style="list-style-type: none"> <li>Kampuchea Institute of Certified Public Accountants, Cambodia</li> <li>Myanmar Institute of Certified Public Accountants</li> <li>Institute of Chartered Accountants of Nepal</li> <li>Samoa Institute of Accountants</li> </ul> |
| Duration                         | <ul style="list-style-type: none"> <li>2015 – 2017</li> </ul>   |
| Objectives                       | <ul style="list-style-type: none"> <li>Aims to introduce or enhance audit quality assurance systems administered by PAOs</li> </ul>   |
| Outcomes & materials for sharing | <ul style="list-style-type: none"> <li>Strengthen audit quality assurance (QA) programs in 4 PAOs</li> <li>Good Practice Guide</li> </ul>   |

## Roundtable in Mongolia

A Roundtable session was held in conjunction with the outreach meeting of CAPA's PAODC in Ulaanbaatar, Mongolia in early July. This Roundtable focused on developments since the World Bank 'Report on the Observance of Standards and Codes, Accounting and Auditing (ROSC A&A) Review' for Mongolia. Two World Bank representatives, Regis Cunningham and Badamchimeg Dondog, presented the original findings and facilitated discussions.

The session provided an opportunity for MonICPA and attendees from other PAOs to understand the scope and objectives of a ROSC A&A Review, particularly what is expected in terms of the institutional framework to support high quality accounting, financial reporting, and auditing. The report had been useful in suggesting policy recommendations to stakeholders of the Mongolian accountancy profession. Discussions led to a suggestion for a ROSC A&A Review follow-up for Mongolia as it had been a few years since this report was published in 2008.

This was the second time CAPA partnered with the World Bank to organise such in-depth discussions on a ROSC A&A Review. The first time was last year when the PAODC held an outreach meeting with the Certified Practising Accountants of Papua New Guinea (CPAPNG) in Papua New Guinea. The opportunity provided CAPA with insights on the purpose and benefits of such an exercise and we plan to organise such sessions whenever an opportunity arises in the future.

ROSC A&A Reviews can be viewed online in the World Bank's website (<http://www.worldbank.org> – go to 'Publications' tab > look for 'In Depth' section and click on 'Documents & Reports' > look for 'Browse By' and click on 'Document Type' > look for 'Economic & Sector Work' and click on 'Accounting and Auditing Assessment (ROSC)').



Representatives from the World Bank, (left) Regis Cunningham, Senior Financial Management Specialist, and (right) Badamchimeg Dondog, Financial Management Specialist.



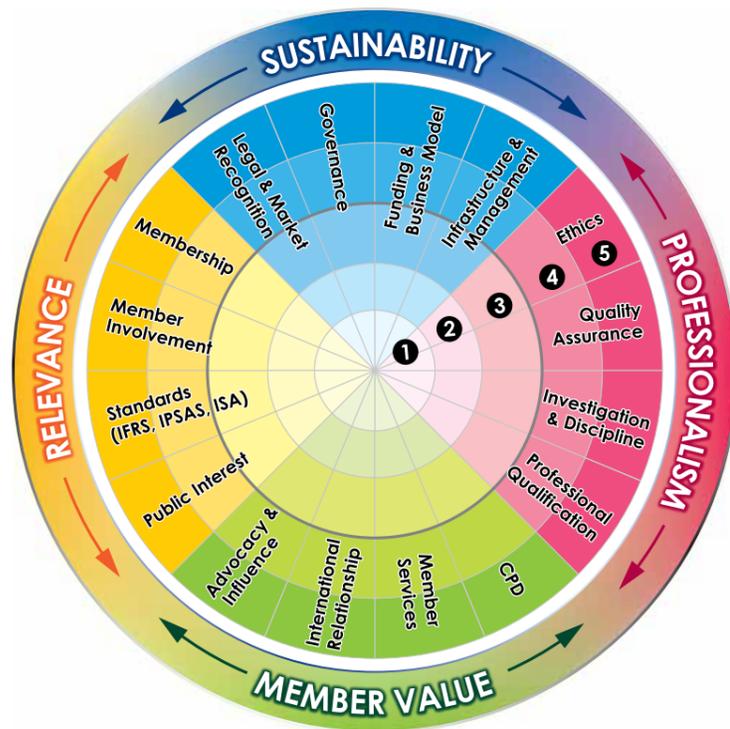
Representatives from MonICPA (middle section) and the PAODC (left and right sections) at the Roundtable session.

## Maturity Model – Guidance Series

CAPA's Maturity Model was designed to assist in the development of PAOs, irrespective of their current stage of advancement. Launched in 2014, it provides a roadmap for organisational growth based on the measurement and improvement of practices and processes.

The Maturity Model comprises sixteen key success areas (KSAs) across four broad characteristics of sustainability, relevance, professionalism and member value. Detailed materials are now being developed to support the sixteen KSAs, and these materials will ultimately form a complete 'Guidance Series'.

The first publication in the series focusing on continuing professional development (CPD) was launched during the year (see page 18 for more information). Other Guides being produced for the series address investigation and disciplinary arrangements, funding and business model matters, and governance considerations. The Quality Assurance for Audit project discussed above will also give rise to a Guide in the series. All these Guides are expected to be published in 2017.



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



## Strengthening CPD Systems – A Toolkit for PAOs

CAPA launched a **CPD Systems Toolkit**, and an associated guide and training video during the year, following the completion of a World Bank funded capacity building project.

The Toolkit is available to all professional accountancy organisations (PAOs) around the world seeking to strengthen their continuing professional development (CPD) systems. This online application helps PAOs design, assess and improve their CPD-related approaches and activities.

The Toolkit was designed by expert consultants as part of a project focused on improving CPD systems in three Asian member PAOs, namely, the Mongolian Institute of Certified Public Accountants (MonICPA), the Philippine Institute of Certified Public Accountants (PICPA) and the Vietnam Association of Certified Public Accountants (VACPA). During development, the Toolkit was successfully implemented by the three PAOs, each expressing positive comments on the usability and benefits achieved.



The Toolkit is supported by a training video, and a **CPD Guide** that has received the endorsement of the International Federation of Accountants (IFAC).

The **CPD Guide** provides the "why", "what" and "how" of CPD systems. The Guide explains why a strong commitment to CPD is important, highlights key components of a robust CPD system, explains the content of the Toolkit and provides useful instructions on how to use this online application. The CPD Guide is designed for any PAOs looking to implement a robust system for CPD.

The Guide is also the first publication under the **Maturity Model Guidance Series** – a series of publications to support an earlier publication titled 'Maturity Model for the Development of Professional Accountancy Organisations' (see page 17 for more information).

CAPA takes this opportunity to express our appreciation to the consultant – a joint venture between Accounting & Audit Reform Consultants Ltd and ACCA, a CAPA affiliate member – and the three recipient PAOs for their involvement in the project. The feedback provided by the three PAOs during the CPD systems design phase and testing of the Toolkit during implementation proved extremely valuable.

CAPA is very grateful for being approached by the World Bank to undertake this project as the experience of working with a donor agency and consultants will be very useful to undertake similar projects in the future. CAPA also takes this opportunity to express our appreciation to IFAC for providing useful feedback and endorsement on the CPD Guide.

Visit the CAPA website to access the CPD Systems Toolkit, the CPD Guide and the associated training video ([www.capa.com.my](http://www.capa.com.my)). An introductory video about these items is also available on the website.

## Advancing Public Sector Financial Management

Following the global financial crisis in 2008 and sovereign debt crises around the world over subsequent 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.

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.

### 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.

### Public Sector Financial Management Committee Members



*Sitting, left to right:*

1. Anwaruddin Chowdhury, *Bangladesh*
2. Manoj Fadnis, **Chair**, *India*
3. Gillian Fawcett, *United Kingdom*

*Standing, left to right:*

4. Nadeem Y. Adil, *Pakistan*
5. Young-Jin Park, *Korea (resigned Sep 2016)*
6. Richard L. Kuna, *Papua New Guinea*

*Not in photo:*

1. Md. Abdur Rahman Khan, *Bangladesh*
2. Jagath Perera, *Sri Lanka*
3. Ross Campbell, *United Kingdom*
4. Andrew Leck, *United Kingdom (resigned Jun 2016)*
5. Manj Kalar, *United Kingdom (appointed Jun 2016)*

## Understanding the Public Sector in Mongolia

CAPA had an opportunity to engage with the Mongolian public sector during the PAODC outreach meeting in Ulaanbaatar in early July. A delegation of eight, comprising of the CAPA Deputy President, Chief Executive, committee members, and representatives of the Mongolian Institute of Certified Public Accountants (MonICPA) and the World Bank visited the Ministry of Finance (MoF) office.

The visit provided an opportunity to further understand the state of public financial management in Mongolia and the challenges of introducing accrual accounting in the Mongolian public sector, which is prescribed by law but not fully implemented. It was estimated that only a small percentage of those undertaking accounting related work in the public sector are qualified and further effort is required to train the rest. It was suggested that MonICPA has a role to play in this area.

It was encouraging to note that the MoF officials were already familiar with CAPA, having been part of the delegation to attend the second Financial Reform for Economic Development (FRED II) forum that focused on the public sector in Asia. The forum was held in Kuala Lumpur just weeks prior to CAPA's visit to Mongolia. This visit proved timely for follow-up discussions and an excellent opportunity for MonICPA to further develop their relationship with the Mongolian public sector.



CAPA PAODC, MonICPA and World Bank representatives at the office of the Ministry of Finance, Mongolia.



Mongolian delegates at the FRED Forum in Kuala Lumpur.

## Attracting and Retaining Finance Personnel – An Urgent Challenge for the Public Sector

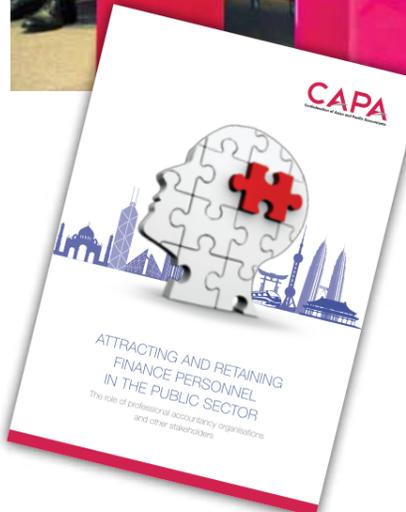
In late 2014, the PSFMC embarked on a project to develop a second thought-leadership piece titled **Attracting and Retaining Finance Personnel in the Public Sector**. The publication aims to address a huge challenge for the public sector as it examines issues of capacity and capability, one of 'The Eight Key Elements of PFM Success' in the same-titled publication issued by CAPA in 2014. That publication concluded by saying, "having the right people will be crucial for the advancement of financial management in the public sector".

Public services are generally constrained in their ability to compete financially with the private sector for top talent. The challenges only tend to increase when it comes to attracting specialist or professional resources such as accountants and auditors. Empirical evidence is not readily available; however, the insufficient number of appropriately qualified finance personnel working in the public sector, including accounting technicians, is generally recognised and is of concern as it severely affects a country's ability to achieve effective public financial management (PFM).

To address the challenge, CAPA suggests that a multi-faceted stakeholder approach is needed. The *Attracting and Retaining* publication has identified the stakeholders and methods they can employ alone or in concert with others, especially professional accountancy organisations (PAOs), to attract and retain finance personnel in the public sector.

The publication was launched at the 'Financial Reform for Economic Development (FRED) in Asia – Public Sector Forum' that was held in Kuala Lumpur, Malaysia in mid-May. CAPA Chief Executive and representatives from the PSFMC presented at a session discussing the topic and issues related to the publication in detail (see pages 7-11 for further information).

CAPA is actively promoting the document regionally and globally, and encouraging PAOs to use the identified strategies and methods as a means of engaging with stakeholders in the public sector to address issues in attracting and retaining finance talents, a key element to improving financial management in the public sector. The publication is endorsed by the International Federation of Accountants.



CAPA members presenting the 'Attracting & Retaining' publication during the launch session (left to right): Brian Blood, CAPA Chief Executive; Gillian Fawcett, Head of Governments Faculty, CIPFA; Anwar Chowdhury, CAPA Director, Bangladesh & member of IPSASB Consultative Advisory Group; Andrew Leck, Director, Public Sector Development, ACCA (up to June 2016).



A copy of the publication can be obtained from the CAPA website ([www.capa.com.my](http://www.capa.com.my)).

## Collaborating with the Global Profession and Donors in public sector development

CAPA believes that promoting the importance, value, and benefits of high-quality public sector financial management should be a collective effort between the accountancy profession and other stakeholders across local, regional, and international levels. With this in mind, CAPA strives to continually build relationships with relevant stakeholders in order to achieve greater impact in promoting transparency and accountability in the public sector.

### ADB Regional Workshop

CAPA was invited to attend a public sector accounting regional workshop organised by the Asian Development Bank (ADB) held in mid-October in Bangkok, Thailand.

The Chief Executive delivered a presentation on CAPA's latest public sector initiative titled 'Attracting and Retaining Finance Personnel in the Public Sector' in a session aimed at strengthening financial management capacity in the public sector.

This is the fourth of such regional workshops organised annually by the ADB Controllers Department, and CAPA's involvement provides an opportunity to form relationships with, and deliver messages to, key public sector officials from a wide range of countries across Asia.

### PAFA-FIDEF PFM Conference

CAPA was invited to attend a public financial management conference jointly hosted by Pan African Federation of Accountants (PAFA) and the Fédération Internationale des Experts Comptables et Commissaires aux Comptes Francophones (FIDEF) in Madagascar in late October. The event, attended by 200 delegates from over 15 African countries, was supported by the International Federation of Accountants (IFAC), the World Bank and the African Development Bank.

The conference, titled 'Strengthening Institutions and Accountability', explored how the accountancy profession can partner with the public sector to support the 2030 sustainable development agenda aimed at ending poverty, protecting the planet, and ensuring prosperity for all. This included recognising the importance of building effective, transparent and accountable institutions at all levels, and achieving a substantial reduction in corruption and bribery in all forms.

The Chief Executive participated in a panel discussion on the topic of attracting, developing and retaining finance professionals in public service, presenting CAPA's publication on the same topic.

## Supporting ICAB's continued initiative to improve public sector financial management in Bangladesh



From left to right: Kamrul Abedin, President of ICAB; Brian Blood, CAPA Chief Executive; Anwaruddin Chowdhury, CAPA Director, Bangladesh & Council Member and Past President of ICAB; Tofail Ahmed MP, Honourable Minister, Ministry of Commerce of Bangladesh addressing participants during the inauguration session.

CAPA joined with the Institute of Chartered Accountants of Bangladesh (ICAB) in early February to organise a Roundtable event focused on public financial management (PFM). This was part of an outreach visit by CAPA's PSFMC to Dhaka, Bangladesh; a follow-up visit since the first in February 2012. This Roundtable event provided an opportunity for CAPA to continue supporting ICAB's initiative to improve public sector financial management in Bangladesh.

This is the first time for representatives of the accountancy profession and a wide range of public sector officials to be gathered in a Roundtable format to discuss PFM issues in Bangladesh. The Roundtable was themed 'Attracting and Retaining Finance Personnel in the Public Sector', and served as a 'pilot test' to the working draft of a publication with the same title.

Close to 40 individuals participated in the Roundtable including CAPA PSFMC representatives and representatives from various public sector organisations and the accountancy profession in Bangladesh. Many of the participants effectively represented one of the nine stakeholders identified in the 'Attracting & Retaining' publication namely – Citizens, Central Agencies, Donors & Lenders, Supreme Audit Institutions, Politicians, Academia, Public Sector Human Resource Managers, Public Sector Finance Personnel, and Professional Accountancy Organisations.

Key individuals included the Additional Secretary of Finance Division in the Ministry of Finance, Joint Secretary of the Ministry of Finance (local government audit specialist), Vice President of Bangladesh Economic Association, Chairman of the Industrial & Infrastructure Development Finance Company, the former Comptroller & Auditor General of Bangladesh, Chairman of the United News of Bangladesh, representatives of the World Bank and the Asian Development Bank, General Manager of Bangladesh Bank, as well as leaders and council members of ICAB and the Institute of Cost & Management Accountants of Bangladesh (ICMAB).

Tofail Ahmed MP, Honourable Minister, Ministry of Commerce of Bangladesh, was invited as the Chief Guest to inaugurate the event. He applauded the two professional accountancy organisations in Bangladesh for producing high quality accounting professionals to serve the public interest and their efforts in ensuring a high level of accountability and transparency in the country's financial systems. The honourable minister said that public sector reforms are highly dependent on access to the required quantity and quality of finance personnel, with the Bangladesh government always open and keen to see greater involvement of finance professionals in the government agencies and the public sector. The inauguration attracted a very high level of media interest and CAPA was featured in many newspapers and on television.

The Roundtable discussions demonstrated a deep interest and understanding of the importance of attracting and retaining talented finance personnel in the public sector in order to have accurate and transparent financial reporting. A comment was made that the Public Expenditure and Financial Accountability (PEFA) assessments could possibly consider including a measure of how well public sectors are able to attract and retain finance personnel. Others commented that the challenge is difficult to address without the initial 'political will'.

Discussions closed with high levels of enthusiasm from the Bangladesh public sector to address the challenge of attracting and retaining finance personnel, and to work with the profession in achieving this objective. There was a clear 'call for action' to identify, agree, and implement a strategy and specific actions, and the accountancy profession in Bangladesh is now well-placed to take a leadership role on this matter.



Key individuals from the Bangladesh public sector participated well in discussions during the Roundtable.



Other participants of the Roundtable (right section) included CAPA PSFMC representatives from ICMAB and the UK (ICAEW and ACCA) and India (ICAI) based PAOs.



Some of the participants of the Roundtable (left section) included leaders and council members of ICAB and representatives from the Bangladesh Bank, the World Bank and Asian Development Bank.

# FUTURE EVENTS & PROPOSED ACTIVITIES

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 2017. Our outreach events will continue to focus on these matters.

In respect to capacity-building, our *QA for Audit* project will come to fruition. CAPA has a role in facilitating the project and providing advice to the consultant.

Throughout the year, we will be involved in the development of the *'Guidance Series'* to support the *'Maturity Model for the Development of Professional Accountancy Organisations'* publication.

## CAPA Meetings and Events in 2017

| March  | May   |
|--|---|
| <p>Location : Manila, Philippines</p> <p>Meetings : Committee Outreach</p> <p>Events : Public sector activities and an opportunity to meet with the Asian Development Bank</p> | <p>Location : Beijing, China</p> <p>Meetings : Members and Board Meeting<br/>Committee Meetings<br/>Annual General Meeting</p> <p>Events : Workshop aimed at raising the profile of the accountancy profession in Asia by exploring the importance of the profession to society</p> |
| August   | November  |
| <p>Location : Fiji</p> <p>Meetings : Committee Outreach</p> <p>Events : PAO development activities with Pacific-based members</p>  | <p>Location : Kuala Lumpur, Malaysia</p> <p>Meetings : Members and Board meeting<br/>Committee Meetings<br/>Extraordinary General Meeting</p> <p>Events : Events and Gala dinner to mark and celebrate CAPA's 60<sup>th</sup> Anniversary</p>                                       |

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

## CAPA is turning 60!

CAPA will be celebrating its 60<sup>th</sup> anniversary at an event in November 2017. Turning 60 is considered a significant moment in many cultures around the world, and more so in the Asian region. Plans are underway to mark this important milestone in our journey towards contributing to the development of strong and sustainable professional accountancy organisations in the region.



### ● Locations of 2017 meetings / events



# THE ORGANISATION

## 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 1.6 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 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. This conference has since been identified as the 1<sup>st</sup> CAPA Conference and it was agreed at the time to stage further conferences – since then, a CAPA Conference has been held approximately every four years. The 1957 conference also included a proposal to establish a formal federation of accountants.

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.

As at 31 December 2016, 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 accountancy 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 accountancy profession in Asia Pacific.

### Mission – for CAPA

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

- Contributing to the formation and development of strong and sustainable professional accountancy organisations capable of providing and maintaining accountants to effectively meet the needs of the country in which they operate
- Fostering a cohesive accountancy profession within the region by facilitating the development of relationships and the sharing of knowledge among professional accountancy 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



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

#### Australia and New Zealand



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

#### 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 (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

#### 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



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



The Institute of Certified Management Accountants of Sri Lanka (CMASL)  
www.cma-srilanka.org

#### 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)

#### Solomon Islands



Institute of Solomon Islands Accountants (ISIA)

#### Samara Region, Russian Federation



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

### AFFILIATE

#### France



Délégation Internationale pour l'audit et la Comptabilité  
www.dipacint.com  
Representing:  
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



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

# THE ORGANISATION

## Board & Committee Representatives

A Board of up to twelve member organisations is elected every four years. Representatives from these organisations are appointed as Directors. The President is an ex-officio member of the Board, and a representative from the President's member organisation is added as a Director.

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.

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 2016 were held in:

- Kuala Lumpur, Malaysia – hosted by CPA Australia, Chartered Accountants Australia & New Zealand and the Institute of Public Accountants
- Hyderabad, India – hosted by the Institute of Chartered Accountants of India

## Governance & Audit Committee Members



Sitting, left:  
Rakesh Singh (**Chair, non-Board member**), India

Standing:  
Nadeem Y. Adil, Pakistan

Sitting, right:  
Jim Knafo, USA

## Board Member Representatives



Standing, left to right:

1. Yang Chenhui, China
2. Gill Cox, New Zealand
3. Jim Knafo, USA
4. Nadeem Y. Adil, Pakistan
5. Prakash Lamsal, Nepal
6. Young Jin Park, Korea\* (resigned in Sep 2016)
7. Lasantha Wickremasinghe, Sri Lanka
8. Shinji Someha, Japan
9. Low Weng Keong, Australia

\* Yeong-Kyun Ahn, Korea  
(appointed in Sep 2016, not in photo)

Sitting, left to right:

10. Anwaruddin Chowdhury, Bangladesh
11. Jackie Poirier, **President**
12. Manoj Fadnis, **Deputy President, India**
13. Lyle Handfield, Canada

## Distinguished Contribution Award

CAPA Board was very pleased to present the 'Distinguished Contribution Award' to Jean Ettridge, representative of the ICAEW. Jean is the very first recipient of this award, presented for her outstanding contribution to CAPA's work and activities over many years. Apart from her active participation during meetings, the Board noted that Jean's consistent level of commitment to CAPA's objectives and initiatives throughout each year exceeded normal expectations.



Jackie Poirier, CAPA President (right), presenting the first Distinguished Contribution Award to Jean Ettridge, representative of ICAEW (centre), at the CAPA Board meeting in Hyderabad, with Brian Blood, CAPA Chief Executive (left).

# THE ORGANISATION

## 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

**Jackie Poirier**, *Canada*, October 2015

\* deceased

## Secretariat



(left to right): Brian Blood, Winnie Lee, Mei Leng.

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.



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