

**Public Accountancy Board  
Review of Annual Report for the years ended  
March 31, 2012 and 2013**

**1.0 Introduction**

1.1 The matter for tabling in the Honourable House of Representatives is the Annual Reports for the Public Accountancy Board (PAB) for financial years ended March 31, 2012 and 2013.

1.2 The PAB was established by Act 34 of 1968 arising out of the Public Accountancy Act that was promulgated in July 6, 1970. The Act was amended in 2004 to strengthen the Board's function and oversight of the accountancy profession. The primary functions of the Board are to promote, in the public interest, acceptable standards of professional conduct among Registered Public Accountants (RPAs) in Jamaica, and to perform the functions assigned to it by the other provisions of the Act.

**2.0 Disclosures**

**2.1 Auditors' Report**

2.1.1 The Board obtained an unqualified report from its auditors, for the years ended March 31, 2012 and 2013. The auditors stated that proper accounting records were kept and that the accompanying financial statements were in accordance with International Financial Reporting Standards.

**2.2 Compensation Packages of Senior Executives**

2.2.1 Section 22 of the Public Bodies Management and Accountability Act 2001 (PBMAA) requires the disclosure of emoluments of senior officials of all public bodies. The Board engages a Registrar who operates in the capacity of a Chief Executive Officer. The Registrar receives a travelling allowance in accordance with Government rates.

**3.0 Review of Operating Activities**

**State of the Register**

3.1 The Board continued to review applications for admission and renew the practicing certificates for RPAs. At March 31, 2013 there were seven (7) additions to the Register compared with 8 additions at March 31, 2012. With respect to removal due to death and cessation in the practice of accountancy, thirty-one (31) were removed at March 31, 2013 compared with twenty-six (26) at March 31, 2012. On the Register of Public Accountants two

hundred and ninety persons (290) were listed at March 2013 versus three hundred and fourteen (314) at March 2012.

### Disciplinary Activities

3.2 Over the review period the Board pursued investigation of one disciplinary matter which was reported to it by the Institute of Chartered Accountants of Jamaica (ICAJ). It is expected that this matter will be concluded in financial year 2013/14.

### Monitoring, Disciplining and Regulating the Profession

3.3 It should be noted that the Board, the ICAJ, and the Institute of Chartered Accountants of the Caribbean (ICAC) entered into a four-year agreement with the Association of Chartered Certified Accountants (ACCA) for the Monitoring of all practicing accountants in Jamaica. Notably the principal purpose of the Monitoring and Enforcement Programme is to assess the extent to which a RPA, in the conduct of his practice, complies with International Standards on Auditing (ISA) and International Standards on Quality Control (SQC).

3.4 The Senior Practise Reviewer appointed by the ACCA, submitted twenty-eight (28) reports to the Board. Arising from the Board's review registrants whose reviews indicated shortcomings with independence requirements were interviewed to ascertain and develop the relevant action plan to resolve the issues identified.

### Training of Registered Public Accountants

3.5 The Board conducted two training seminars over the review period; the seminars were designed to inform/update registrants about the Practice Monitoring programme. Presentations were made on the following:

- Practice Monitoring Reviews and progress of the Programme
- Monitoring Programmes – A Multi-Jurisdictional Review
- Importance of Engagement Letters

## **4.1 Comprehensive Income**


4.1.1 For 2012/13 the PAB recorded total comprehensive income of \$0.89 million in comparison to \$1.87 million for 2011/12. Notably the reversal of fees of \$0.81 million charged to the Attorney General's Department in 2011/12, was the primary contributor to the change in results over the two year period.

## 4.2 Statement of Financial Position

4.2.1 At the end of the period the Board continued to record positive liquidity ratios, honouring its obligations as required. Specifically the PAB was not exposed to either liquidity or any credit risks.

### FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS	2013	2012
<b><i>Statement of Comprehensive Income</i></b>		
<i>Income</i>		
Practising Certificates	3,280,000.00	3,284,000.00
Registrations and Applications	56,000.00	90,000.00
Interest and Other Income	435,807.00	463,521.00
	<b>3,771,807.00</b>	<b>3,837,521.00</b>
Auditor's Remuneration	(300,000.00)	(275,000.00)
Administrative and other Expenses	(1,956,587.00)	(1,271,366.00)
Travelling Expenses	(616,628.00)	(420,000.00)
	<b>(2,873,215.00)</b>	<b>(1,966,366.00)</b>
<b><i>Total Comprehensive Income</i></b>	<b>898,592.00</b>	<b>1,871,155.00</b>
<b><i>Statement of Financial Position</i></b>		
<i>Total Assets</i>	<i>12,522,142.00</i>	<i>11,067,106.00</i>
Total Liabilities	4,033,897.00	3,477,453.00
Accumulated Fund	8,488,245.00	7,589,653.00
<b><i>Total Reserves and Liabilities</i></b>	<b>12,522,142.00</b>	<b>11,067,106.00</b>

  
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 Minister of Finance and Planning  
 October 15, 2013