

MINISTRY PAPER No. 23/16

Public Accountancy Board
Review of Annual Report for the year ended
March 31, 2015

1.0 Introduction

1.1. The matter for tabling in the Honourable House of Representatives is the Annual Report of the Public Accountancy Board (PAB) for the financial year March 31, 2015.

1.2. The PAB was established to carry out the functions of the Public Accountancy Act of July 6, 1970. The PAB's mandate is to promote, in the public's interest, acceptable standards of professional conduct of Registered Public Accountants (RPAs). The Act was amended in February 2004 to strengthen the Board's role in promoting higher standards of public accountancy, and to improve monitoring of the practice and professional conduct of the RPAs.

2.0 Disclosures

2.1 Auditors' Report

The Board received an unqualified report from its auditors, UHY Dawgen, for the year ended March 31, 2015. The auditors stated that proper accounting records were kept, that ". . . the financial statements give a true and fair view of the financial position of the Board, and that its financial performance, and its cash flows for the year ended are in accordance with International Financial Reporting Standards and the Public Accountancy Act".

2.2 Compensation Packages of Senior Executives

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

3.1 State of the Register

The Board continued to review applications for admission and renewed the practicing certificates for RPAs. During the year there were four (4) additions to the Register, and two (2) persons were removed due to death. At 31st March 2015, two hundred and seventy (270) persons [2014: 268] were registered with the PAB.

3.2 Monitoring, Disciplining and Regulating the Profession

During the review period the PAB continued to collaborate with the Institute of Chartered Accountants of Jamaica (ICAJ), the Institute of Chartered Accountants of the Caribbean and the Association of Chartered Certified Accountants for the monitoring of all practicing accountants in Jamaica. The parties continued to undertake activities under the Monitoring and Enforcement Programme to assess the extent to which each RPA, in the conduct of his practice, complies with International Standards on Auditing and International Standards on Quality Control.

Breaches under Sections 15 and 25 of the Act were reported to the legal authorities and the necessary action taken. The Board awaits the ruling of the Director of Public Prosecution on two cases.

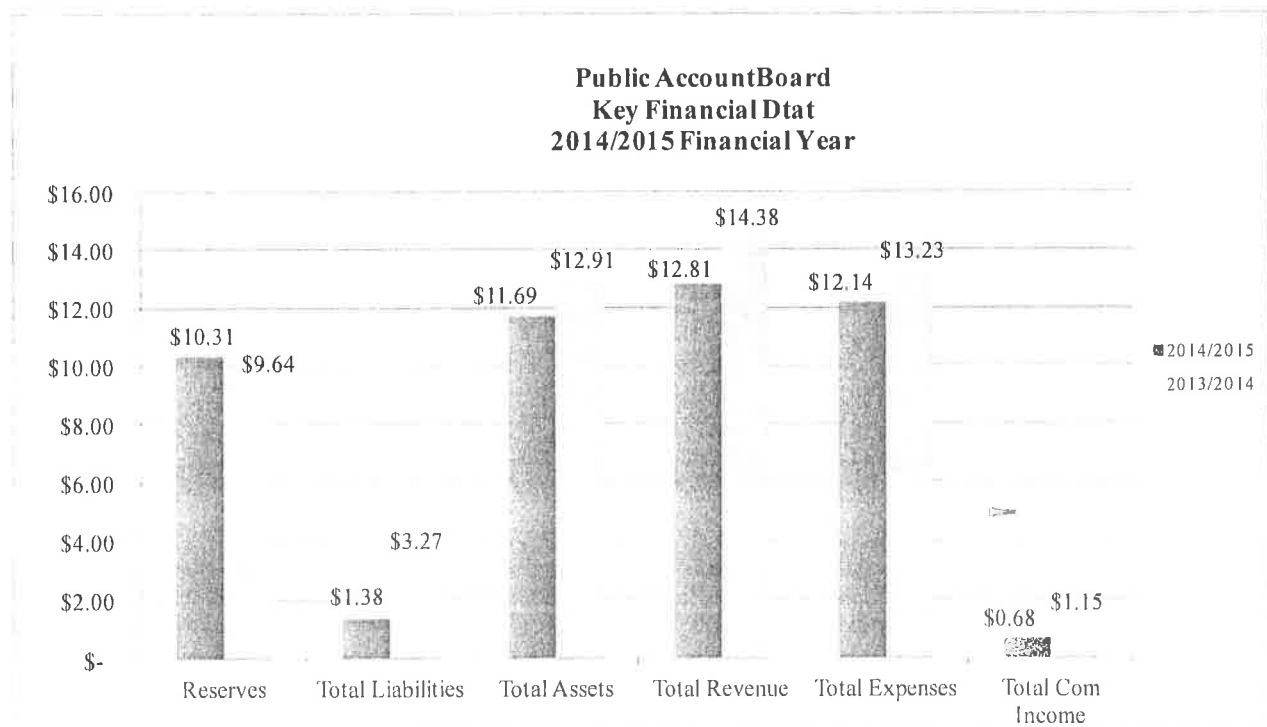
3.3 Improving and Strengthening the Effectiveness of the Profession

Submission by the Board of recommendations in respect of various regulations governing the functioning of RPAs, were approved by Cabinet in 2011/2012. The Draft Bill to Amend the Public Accountancy Act reflecting the legislative changes is expected to be tabled in Parliament during the 2015/2016 financial year.

3.4 Training of Registered Public Accountants

Three (3) seminars/workshops were held by the Board in collaboration with the ICAJ during the year. These seminars/workshops were designed to assist RPAs who had been subject to Practice Monitoring and whose reviews were unsatisfactory. The PAB also continues to inform RPAs of legislative changes such as the Proceeds of Crime Act and the implications for the accounting profession.

4.0 **Comprehensive Income and Statement of Financial Position**



The PAB recorded total comprehensive income of \$0.68 million for 2014/2015 [2013/2014:\$1.15 million]. This outturn in total comprehensive income was due to the reduction in number of practicing certificates issued during the year [2014/15:264; 2013/2014:296]. Additionally, the income position was negatively impacted by the reduction in gain from foreign exchange.

There was a 9% reduction in the PAB's total assets at end FY 2014/15 arising primarily from the use of cash reserves to settle outstanding liabilities. Notwithstanding the reduction in total assets, the financial position indicates that PAB can satisfactorily meet its short-term debts and other obligations. This was demonstrated by a solvency ratio of 52% [2013/2014: 36%] and current ratio of 7.6:1 [2013/2014:3.59:1].

5.0 Conclusion

The PAB has been promoting higher standards of professional conduct among registered public accountants in Jamaica. It is noted however that there is a reduction in the number of practicing certificates issued, and additionally a decline in the total comprehensive income of the Board. The Board will need to pursue alternate strategies to increase the number of RPAs who register within the stipulated timeframe, which should improve its revenue.



Audley Shaw, M.P.
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March 8, 2016