

MINUTES OF THE 53RD ANNUAL GENERAL MEETING OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA
HELD AT THE AUDITORIUM OF THE INSTITUTE,
NO. 30 A, MALALASEKERA MAWATHA, COLOMBO 07
ON FRIDAY, 26TH APRIL, 2013 AT 5.30 P.M.

Present:

Name	Name
H. N. I. K. ABEYRATHNA	A. M. A. PERERA
M. K. JAYANTHA	J. P. S. KURUMBALAPITIYA
A. D. N. D. SAMARAKKODY	T. H. SUBASINGHE
A. KANDASAMY	I. B. D. JAYASINGHE
L. N. DISSANAYAKE	L. J. RUBERA
K. L. J. N. PERERA	N. B. G. NANAYAKKARA
A. J. W. JAYASEKERA	S. R. KUMARAGE
A. LOGANATHAN	T. M. R. B. K. TENNAKON
Y. A. DE SILVA	W. D. L. DUSHMANTHA
N. A. RODRIGO	U. H. D. PATHMASIRI
P. K. FERNANDO	W. A. S. WIJESINGHE
H. L. T. DHAMMIKA	M. B. AMARATUNGA
D. S. PUSHPA KUMARA	S. C. R. THAMBIMUTTU
O. N. P. PERERA	S. M. M. ZAROOK
H. A. HEMASIRI	K. B. PERERA
D. VIDANAGE	B. K. K. RANASINGHE
D. S. S. JAYANTHA	M. THIYAGARAJA
R. M. N. K. B. RATHNASINGHE	S. M. A. WAHAB
C. L. DE SILVA	J. M. U. B. JAYASEKERA
K. SUNDARARAJ	W. W. G. DAYANANDA
W. K. B. S. P. FERNANDO	W. L. T. FERNANDO
K. G. N. ABEYSINGHE	L. D. T. PERERA
Y. M. WIJERATNE	K. N. L. FERNANDO
J. M. P. S. KAUSHALLYA	M. R. MIHULAR
D. M. N. P. DISSANAYAKE	H. G. C. RODRIGO
A. N. FERNANDO	M. J. S. RAJAKARIAR
A. N. DE SILVA	M. K. K. JAYASINGHE
F. H. PUVIMANASINGHE	N. K. C. J. PERERA
S. A. L. S. DIAS	L. ABEYSEKERA
G. A. H. JAYANGA	G. K. N. DILUKSHI
G. UDUWARA ARACHCHI	K R.KANNANGARA
L. J. N. GOONARATNE	CHANNA MANOHARAN
N. N. EKANAYAKE	RANEL WIJESINHA
V. SIVAGURUNATHAN	M J MAGDON ISMAIL
R. M. PREMATHILAKE	N A DE SILVA
M. M. J. R. BOGAMUWA	K G R NILYANES
R. MOHAMED	SAMAN SRI LAL
N. A. P. HETTIARACHCHI	NIHAL HETTIARACHCHI
J. N. WEERAKOON	J PERERA
S. U. RATNAYAKE	H KALANSURIYA
S. K. K. WIJESENA	C P SAMARANAYAKE
M. H. USOOF	N NAGASINGHE
K. LIYANAGE	A M M ISMAIL
S. R. RAJAPAKSE	R G S JAYASEKERA
L. M. V. S. M. DE MEL	T MARASINGHE
H SASANKA RATHNAWEERA	I. MANODARA

P A NANDASIRI	W. P. S. KUMARA
B R L FERNANDO	C. P. JAYATILAKE
D J M N S SERASINGHE	N. J. P. TAVARAYEN
D V DAYARATNE	S. SHANMUGANATHAN
S T D L PERERA	K. A. H. KURUPPU
R K ATHULA RANASINGHE	M. I. M. FIRDOUSE
EESHANI FERNANDO	H. F. A. ABEYRATNE
KITHSIRI DASANAYAKE	G. V. P. G. AMARASINGHE
DINUK HETTIARACHCHI	K. SIVANESAN
K. S. WELIVITA	N. B. MAILEWA
P. L. C. JAYAWICKRAMA	A. B. D. SAVERIMUTTU
V. EDMOND	W. L. S. DE SOYSA
K. RAVEENDRAN	L. H. S. PEIRIS
R. C. RATNAYAKE	S. G. RANJITH
T. K. BANDARANAYAKE	C. P. A. GUNASEKERA
D. A. RODRIGO	M. N. G. C. PERERA
S. RAJAPAKSE	R. D. ABEYWICKRAMA
V. SIVAGNANASOTHY	W. N. I. C. FERNANDO
K. L. PERERA	P. G. A. I. PIYANANDA
M. I. F. HAMID	W. A. U. WIJESINGHA
P. Y. S. PERERA	Y. C. JAYANETTI
A N SUGATHAPALA	N. S. PEIRIS
M. H. S. K. SIRIWARDENA	D. B. S. CHAMARA BANDARA
K. M. D. SWARNATHILAKA	S. SWARNAJOTHY
W. GEEGANAGE	J P A FERNANDO
P. P. KUMAR	T. D. S. H. GUNASENA
L. C. W. EDIRISOORIYA	N. WEERARATNE
H. P. E. R. S. HEMACHANDRA	G. D. N. MENDIS
E. R. J. PERERA	S. S. WIJAYASINGHE
P. S. LAKNOW	W. S. PERERA
G. P. S. SAMARAKOON	W P AMARAWARDENA
A. B. J. M. D. D. P. DE SILVA	B. V. FERNANDO
A. D. B. TALWATTE	

1. The President on behalf of the council welcomed the members to the 53rd Annual General Meeting (AGM) of the Institute and requested the members to rise for the National Anthem.

2. A two minute silence was observed in memory of the following members and other members who had passed away since the previous AGM:

- Mr. E D S Wickramaratne
- Dr. Gamini Wijeyesinghe
- Mr. Nimal Fernando

3. The President invited the Secretary to read the notice convening the 53rd Annual General Meeting of the Institute. The Meeting was convened by the Secretary for the transaction of the Ordinary Annual Business of the Institute, for the reception and consideration of the Annual Report and the Accounts of the Council together with the Report of the Auditor.

4. The President briefed the members on the following activities / projects of the Institute which took place during the period between May 2011 and April 2012:

- Opening of the CA Sri Lanka multi-storied building complex in December 2012 which was inaugurated by His Excellency President Mahinda Rajapaksa. The building consists of a floor area of 40,000 square feet and accommodates most of the Institute's service centres.
- The World Bank Project covering four important areas;
 - 1 - Implementation of an Audit Quality Assurance (AQA) Programme
 - 2 - Programme to assist and educate Small and Medium-sized Practitioners (SMPs)
 - 3 - Programme to increase adoption of IFRS
 - 4 - Programme to strengthen Public Sector Financial Management
- IFRS implementation by the CA Sri Lanka Technical Division with the funding from GIZ of Rs.4.2 million on a one to one basis for the SME sector
- Revision of the corporate governance code
- International relationship through active participation in IFAC, CAPA and SAFA Boards.
- The successful completion of the Annual Report Awards with the highest number of applicants to date; 124 organisations participating in the competition.
- Sponsorship of Rs.14Mn from six lead sponsors viz. Aitken Spence, Cargills Ceylon, C T Holdings, Hatton National Bank PLC, John Keells Holdings and Sri Lanka Telecom, continued during the year 2012. Two (2) more leading corporates have agreed to come on board as lead sponsors before end of 2013.
- The National Conference of Chartered Accountants concluded on a high note with the remarkable involvement of 1180 participants.
- Increased brand visibility through print and electronic media. The Institute has received free advertising worth Rs.4.6Mn during the year 2012 from media institutions.
- For the first time in its history, the CA Sri Lanka Examinations Division conducted computer based examinations for Business English and an open book examination for two subjects. Steps have also been taken to release results of the CAB level examinations within 2 months from the date of the examination.

- Revision of the CA Syllabus is in progress and is scheduled to be completed by 2014; it is expected to be the basis for exams from 2015 onwards.
- Recognized 33 organizations at Certificate Level and 31 organizations at Strategic Level as approved training organizations during the year. A total of 3293 students have registered training agreements in 2012 and 1299 trainee assessments have been conducted.
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- The CA Business School conducted the world renowned INSEAD programme which was well received by the participants, and also enhanced the brand image of the Institute among all stakeholders, especially the corporate sector.
- The Tax Faculty of CA Sri Lanka also conducted Certificate courses in advanced taxation, taxation course for professionals and practitioners, chartered tax advisor course as well as tax awareness sessions on latest tax amendments, transfer pricing and the annual budget seminar.
- The Annual Tax Oration was held with the participation of Mr. Mohan Peiris, the President's Counsel and former Attorney General of Sri Lanka as the orator.
- Tax publications such as Handbook on VAT, Guide on Income Tax Law and Chartered Tax Advisor awareness study guides were released during 2012.
- FCA status was conferred upon 183 new members in addition to the registration of new ACA members. The Member Relations Committee also carried out a campaign to get the lapsed members back on board.
- An interactive session titled "An Evening with the President" (President of the Institute) gave members the opportunity to come forward and give their suggestions and comments on the various activities and initiatives of the Council.
- In 2012, a total of 1,500 partly qualified CA students were awarded the Certified Business Accountant (CBA) qualification. Various programmes have also been planned to nurture the recipients.
- Conducted four CPD workshops during 2012.
- It was reported that the Qatar and Bahrain chapters are operating successfully and the Institute is looking at initiating more CA Sri Lanka Chapters, in countries where there are a large number of members.
- The late Dr. Gamini Wijeyasinghe was decorated with the Life Time Achievement Award, while Mr. Hemaka Amarasuriya, Mr. Augustine Benedict and Mr. Viswanathar Kailasapillai were inducted into the Hall of Fame.

- The Institute also spearheaded various initiatives to provide IT training to students with approximately 300 new terminals made available at the IT Training Division in the new building.
- A total of 28 'Sisu Nena' and 6 'Guru Nena' educational programmes were conducted by the Students Promotions division.
- The Public Sector Wing of CA Sri Lanka was also launched in 2012.
- Various activities were carried out by the Toastmasters Club, Members Benevolent Society, Young Chartered Accountants Forum and the CA Students Society, with the Council providing financial assistance for selected activities.
- Two CEO Forums and two CFO Forums were conducted during 2012.

5. The following activities in the pipeline were also noted:

- Renovation of the old wing of the Institute at an estimated total cost of Rs. 65 million in order to provide an enhanced service for the benefit of members, students and other stakeholders.
- Rebranding of the CA Journal and conducting CBA Programmes.
- Forming new chapters in Australia, Canada and New Zealand and reactivating the UK chapter.
- Reviving the Members Lounge and providing various services for members.
- Conducting CA exams outside Sri Lanka. The Qatar chapter has already made a request for CA exams to be conducted in Qatar for the benefit of students working there. The Institute is looking at conducting exams in Qatar with special focus on maintaining confidentiality and security whilst conducting exams outside Sri Lanka.
- The Institute is looking at improving the standard of its annual conference, with special focus on improving the style of the conference which is scheduled to be held in October 2013.

6. In his concluding remarks President, Mr. Sujeewa Rajapakse thanked the Vice President, Members of the Council, Past Presidents, Chairmen and Alternate Chairmen and Members of Committees for the honorary service they rendered and Mr. Aruna Alwis, the Secretary / CEO and the staff of the Institute for implementing the work. He also expressed his appreciation of the contribution of the Auditor, members of umbrella groups, lead sponsors and the print media.

7. The President informed the members that the draft minutes of the AGM held on 30th April 2012 had been uploaded on the web well in advance. This is an acceptable mode of communication in the corporate world, and reminded members that the minutes circulated among membership after incorporation of corrections received from the members is treated as approved minutes.

8. The President then invited the members to call for clarifications and put forward suggestions with regard to the Annual Report and the Financial Statements for the year ended 31st December, 2012.

9. Referring to the paragraph 2 of page no. 7 of the minutes of the previous year, Mr. H W Premaratne stated that the statement given as “under what section of the Annual Report” should be corrected as “under what section of the Act of Incorporation”

10. Referring to the paragraph no. 2 of page. no. 9 of the minutes, Mr. Premaratne stated that he never mentioned that a 14 days notice should be given as per the provisions in the Act.

11. Mr. Premaratne also added that the request made by Mr. I B D Jayasinghe to name the best hall of the new building after Mr. L A Weerasinghe, the Founder President, was made at the 2011 AGM and not at the last AGM. President agreed to correct the relevant minute after verifying from the sources available.

12. Mr. Premaratne suggested that the minutes be sent in advance and requested the President to inform the membership to send in their written comments on minutes before the AGM. President informed that this suggestion has already been adopted and draft minutes were uploaded on the Institute website and communicated to the membership via an e-mail and that the final minutes were prepared taking into consideration the written comments received from members. He further added that the Institute had dispatched the minutes to the membership well in advance using e-mail which is an acceptable mode of communication in the modern business world.

13. Mr. H W Premaratne mentioned that arithmetical errors could be seen in the calculations given in the Annual Report and directed the attention of the President to the same.

14. Mr. Hemasiri, presenting a prepared speech pointed out several matters to the Council with regard to the previous minutes and the financial statements. Mr. Hemarsiri stated that the matter with regard to the auditor addressing his report to the Council instead of members, which was brought to notice at the last AGM had not been taken into account and that the Institute had repeated the same mistake in this year’s annual report as well. Replying to this, the President informed that as per the provisions in the section 11(3) of the Act of Incorporation, Council has the authority to appoint the auditor; hence the auditor reporting back to the council was acceptable. He further stated that there is no provision in the Act that the Auditor should report to members. However, he agreed to look into this matter further and to do the required modifications in the next year’s Annual Report if found to be necessary.

15. Mr. Hemasiri pointed out that a minute given in paragraph no. 5 of page 5 “-----
---the Management on behalf of the Institute takes the said responsibility” is contradictory to the section 9(1) of the Act of Incorporation, according to which the “council shall be charged with the administration and management of the Institute” and there is no provision in the Act empowering the Council to delegate this authority. He stated that the President has given a misinterpretation in writing leaving room for anyone to challenge it in a court of law.

16. Referring to the page 53 of the Annual Report, Mr. Hemasiri inquired the basis for accounting of Rs. 20,102,000 in the balance sheet against Association of Public Finance Accountants of Sri Lanka (APFASL) when a number of accounting standards such as SLFRS 10, 11 and 12 referred to on page no. 63 are not applicable to the Institute. He further stated that both CA Sri Lanka and APFASL seem to be treated as a single entity for accounting purposes and in such a situation cash outflows of APFASL cannot be accounted for in the cash flow statement given on page no. 55 of the annual report. Mr. Hemasiri also pointed out that 1st time adoption of SLFRS 1 requires reconciliation of equity and total comprehensive income which is not shown in the accounts.

17. President explained that the transactions of APFASL have been treated as those of a Fund and accounted for adhering to fund accounting definitions, with emphasis on accountability rather than profitability, this year.

18. Referring to paragraph 1.7.2.3 on page no. 62 Mr. Hemasiri inquired about the interim financial statements referred to in the paragraph and stated that there have not been prepared. President agreed to look into the matter of the interim financial statements referred to in the annual report.

19. With regard to penal provisions in the Inland Revenue Act concerning the Auditors, Mr. Hemasiri inquired whether as stated in the minutes when a situation where the Institute had worked with the other professional bodies can the individual members make their independent representation to the Inland Revenue and inquired whether the members can stand divided.

20. Mr. Premaratne, inquired whether the Act of Incorporation or the Auditing Principle is superior. President replied that as a responsible Council they have to go by the Act. Mr. Premaratne inquired why the Institute issues auditing standards including auditing principles about appointment of independent auditor which is already well known to the general public. He also read out a statement to inform the members how the outside World perceives the Chartered Institute due to these discrepancies. President stated that there are numerous statements and comments on certain websites about the Institute but that he disagrees with such comments and wanted to place on record that he is proud to be a chartered accountant and a member of one of the most noble professions.

21. A member stated that it is important to keep the question and answer session to the point instead of turning such session into a debate, and suggested that when a member asks a question the president should to reply and bring the matter to a close.

22. Mr. Gamini Uduwaraarachchi stated that he does not agree that it is a question and answer session but a 'consideration' session and accordingly members present had the right to debate, argue or analyse the issues to ensure that the Institute is progressing well. Mr. Uduwaraarachchi also stated that in the AGM notice dated 5th April 2013 under the 'Business' section, the Secretary has omitted to include the consideration of auditor's report under the business of the AGM and that whether it is to be considered as per the provisions in the Act. President stated that it has not been omitted deliberately and agreed to look into this and to do the needful.

23. He also stated that the legal requirement of holding an AGM was not completely fulfilled since the accounts has been placed under the section 'Auditor's report' where as it should be the 'Accounts of the Council' as per the provisions in the Act of Incorporation.

24. Mr. Uduwaraarachchi also pointed out that on page no. 3 of the Annual Report, the word 'integrity' which should have been included under the vision statement has been placed under the core values even after it was pointed out at the previous AGM. Further he stated that the words "transparency" and "accountability" have been omitted from the objectives and that the vision statement doesn't talk about maintaining the highest standards of the accounting profession and has only mentioned business and society.

25. Mr. Uduwaraarachchi also claimed that the Annual Report 2013 is only a marketing model of an annual report and not a professional model. He further highlighted that the objectives given in the annual report are not within the Act and the objective given in the act 'to educate and bring up chartered accountants' has not been included in minutes. He also inquired the meaning of the word 'influence' given under objectives. The president replied that the word 'influence' can be used in varying context. Mr. Uduwaraarachchi stated that page 3 of the Annual Report, lacked 'professionalism'.

26. Mr. Uduwaraarachchi stated that both the President and the Secretary in their messages have referred to the Institute only as an educational institute and not as a professional institute. President agreed to make amends in his future 'messages'.

27. Mr. Uduwaraarachchi further inquired about the degrees that the Institute had offered which had been referred to in the message of the President. President replied that the Business School which is part of the Institute had been offering MBA and Postgraduate degrees for a considerable period of time.

28. Mr. Uduwaraachchi also stated that the interest element of the overdraft facilities enjoyed has been omitted from accounts and the President explained that it is a book overdraft and not an actual overdraft facility from a bank.

29. Mr. Kumar Fernando emphasized the importance of taking the time factor into consideration when questions are raised by members.

30. Mr. I B D Jayasinghe commented that during past president Mr. Sujeewa Mudalige's tenure he had made a request at an AGM that the main hall of the new building be named after the founder president the late Mr. L A Weerasinghe which was seconded by Mr. Mudalige and that he agreed to name that hall once the new building is opened. Mr. Jayasinghe reminded the President to at least name the best hall after the founder president now, since it has not happened so far and the president agreed to discuss this at a Council meeting. Mr. Jayasinghe also thanked the President for providing hardcopies of the membership directory.

31. Mr. Sivagurunathan, pointed out that the minutes of the AGM should be standardized by numbering the paragraphs which would make reference easy. Referring to paragraph no. 6 of page 5 of minutes, he stated that he did not request the members to carry out an investigation against the party who abused a senior member of the Institute, but requested the Council to look into same.

32. Referring to the word ‘integrity’ placed under the core values of the annual report, Mr. Sivagunranthan stated that the minutes of the previous AGM had not been considered when preparing the Annual Report – 2012, since the relevant word has not been placed under the vision statement as agreed at the last AGM. The President agreed to do the needful at the next Annual Report preparation.

33. Mr. Sivagurunathan pointed out that ‘core value’ had been misspelled in the last paragraph of page no. 5 of minutes. President stated that he would have been very happy if the corrections to the minutes were brought to notice before the AGM.

34. Mr. Sivagurunathan, was also of the view that his name was purposely omitted from certain places in the minutes. He stated that it is he who inquired about the penal provision while the same was recorded as “a Member inquired” and stated that even now section 204A of the Inland Revenue Act is a guillotine hanging over the heads of the members of the profession. He added that even the assessors have started writing to members, regarding the section under which they will be penalized. He also requested the Council to try and organize a meeting with the Department of Inland Revenue and requested the President to make use of the contacts we have within the Tax Department to take this forward. The President stated that the matter relating to the penal provision should be routed through the Tax Faculty and requested Mr. Gajendran, Chairman of the Tax Faculty to take up this matter again with relevant authorities.

35. Mr. Indrajith Manodara thanked Mr. Sujeewa Rajapakse, President of CA Sri Lanka and expressed his appreciation for all the good work carried out by Mr. Sujeewa Rajapakse for the benefit of the members, students and the Institute. Referring to note no. 8 of the Notes to the Financial Statements given on page 66 of the Annual Report, Mr. Manodara requested the council to invest in developing accounting packages in-house under the IT sector development. He further noted that currently most accounting packages are being developed by science graduates and requested Mr. Arjuna Herath who is a science graduate himself to consider this. The President in response noted that if there was anything that can be done in-house, the Institute would do it whenever and wherever possible; however when there is a need to engage outside consultants, then the Institute will engage such consultants; he however agreed to keep in mind the request made by Mr. Manodara. Replying to the request Mr. Arjuna Herath stated that a policy decision is required regarding the development of accounting software in-house and agreed to revert.

36. Referring to the note no. 2 of page 64, Mr. Manodara commended on the chairmanship of Mr. Jagath Perera for recording the highest contribution of the budget by the examinations department during the year 2012. Mr. Manodara also requested the President to renovate the main hall of the old building, which is used for paper marking. President reported that the old building will be completely renovated to provide a better service to all stakeholders including members.

37. Mr. Manodara also stated that though there is a healthy surplus recorded from member activities; member subscriptions have increased by more than 20% and the members have not been rewarded accordingly. Mr. Manodara requested the President to organize a few good CPD programmes for the benefit of members. He further suggested that the members should have a members’ welfare fund in order to help members when need arises. He also added that members of CA Sri Lanka would like to have a win-win situation not a win-lose situation as they see at present. The President informed the

members that the Institute has been carrying out various member related activities regularly which are focused at providing guidance to the members while helping them enhance their professional skills. He also urged the members to keep upto date on the various pronouncements introduced by the Institute in order to stand tall in society as a Chartered Accountant who is updated with the latest trends. With regard to the membership fee increase, the President stated that the subscription increase was required to ensure the sustainability and the future development of the profession. Further, the also President stated that the Council may consider having a members welfare fund and drew attention of the members to the fact that the Institute has been funding certain activities organized by the Members' Benevolent Society, the Young Chartered Accountants Forum and the Students' Society.

38. Mr. Manodara further stated that during the last Council election, the Institute spent nearly Rs.3Mn for the e-voting system introduced and for related legal fees incurred which is a misuse of funds. President stated that he will not go into detail due to the pending court case with regard to the Council election and emphasized that the Rs. 3Mn spent on the e-voting system will not be a waste and that the system will be put to use in the years to come.

39. He further stated that without the consultation of 4373 members, who are brand ambassadors of the Institute, the Institute logo has been changed which is a waste of money and in return the Institute has not gained any benefit since, 6,585 students have not renewed registrations during the year 2012. The President replied that the logo change has been done after consultation with most of the stakeholders and it has been well received in the region as well. Further, the President argued that there's no evidence to say that there had been a decrease in any of the activities due to the logo change.

40. Mr. Manodara stated that even though we are addressing the society as per the vision statement, we have still not informed the society about the judgment of the privatization of the Insurance Corporation matter which is pending for more than 8 years. Mr. Manodara stated that if the Ethics Committee is not capable of finalizing the matter it should be handed over to some other responsible team. President refrained from commenting on the privatization of Insurance Corporation issue, since the matter was handled by the Ethics Committee and therefore it is considered as confidential.

41. Referring to the related party transactions Mr. Manodara requested the President to clarify the payment of Rs.75,000 made to a Council member for student registrations. President explained that Rs.75,000 has been made as resource person's fee for conducting workshops under student promotional activities.

42. Mr. H W Premaratne inquired under which section the HRIS system received from PricewaterhouseCoopers was free of charge when the actual value of it was Rs.1.7Mn and which has been brought into the accounts. President replied that it has been accounted under the work-in-progress software developments as explained under note no. 11.

43. Answering a query raised by Mr. Premaratne, on the legal fees of Rs.2.5Mn paid, the President stated that the council as a responsible body had to defend themselves in several court cases concerning employee issues, logo issues, election, CPA and a few other miscellaneous cases.

44. Referring to the Mission statement in the Annual Report, Mr. M Teagarajah stated that as given in the mission statement, CA qualification should not be limited to business leaders and it should be a qualification sought after by auditors and accountants as well. The President informed that this is a major area of concern and due to the different consultants engaged in the preparation of the Annual Report this kind of differences could be experienced and requested the members to deviate from conventional ways of thinking and look at things differently. He also added that sometimes certain things such as vision, mission, objectives are re-aligned similar to what the other organizations are doing and agreed to consider the matter if there are any issues.

45. Mr. Theagarajah suggested both the President's Review and the Secretary / CEO's Review be signed and dated. President agreed to make sure that the messages referred to are dated and signed off in future Annual Reports.

46. Referring to the details of the management team, Mr. Teagarajah requested the qualifications of the management team be included in future Annual Reports as it was done in the past. President informed the members that due to the increasing number of the management team, photograph and the qualifications of the managers had not been included in the annual report consciously and agreed to ensure that the same is produced in the next annual report.

47. Mr. Theagarajah informed that as given under the related party transactions on page no. 74, the council members should not be charging fees for the services they render on behalf of the Institute, since they have been appointed for decision making. He further requested the President to try and get the services of the Council members for free of charge in future and suggested to their services be appreciated by stating that a particular member of the Council has provided services worth a certain amount of rupees free of charge. The President requested the members to appreciate the amount of work done by the council members and the members from various accountancy firms and informed that one cannot expect everything to be done for free and stated that going forward their services should be acknowledged.

48. Mr. Theagarajah also proposed that the Institute hold classes for CA students at a subsidized rate. In response, the President said that a policy decision has been taken long ago to move away from conducting CA classes at the Institute since it is not a core area of the Institute and therefore due to this reason the Institute has allowed teaching colleges to conduct classes for CA exams. However, the President agreed to consider the suggestion received to look at the possibility of conducting selected important lectures and guest lectures at the Institute for the benefit of students.

49. Mr. Theagarajah also inquired whether any activities have been organized following the conclusion of the AGM, to which the President agreed to consider organizing some activity following the next AGM. He however informed the members of possible budget constraints which may also be questioned by the members at the following AGM.

50. A member informed the Council about an incident where a person was using his name and illegally practicing as an accountant. He stated that despite several letters sent to the Institute he has still not received a proper reply. He further stated that upon the instructions received from the Institute he had lodged a complaint at the police station closest to the particular location in Ampara and that in return the Police had requested

him to settle the matter with the Institute. He also stated that this matter has taken more than 6 months. In response to this issue, the President stated that members should follow the proper channel when sending complaints to the Ethics Committee and said that the particular matter is being pursued. Also, the President added that there are a number of practical difficulties encountered when carrying out ethics matters and therefore members were requested to follow the proper channel always. The President also assured the members that the Institute is doing its utmost best to safeguard the interest of its members at all times, and it was also important for members to approach the Institute through the proper channel as advised. Further he said that there is a Practicing Accountants Forum to look after the welfare of the practicing members.

51. Mr. Sivagurunathan, pointed out that the Sunday Times Business Editorial on 7th April, 2013 included an allegation against the Institute with regard to an ethics infringement and requested the Institute to take immediate steps within the Institute to correct itself without leaving room for the media and other outside forces to criticize the Institute. The President noted the suggestions made by Mr. Sivagurunathan.

52. Mr. Ranel Wijesinha stated that the Institute should organize members' days apart from the AGM at least on a quarterly basis. Responding to Mr. Wijesinha's suggestion, the President stated that a members' day titled "An Evening with the President" had been held which was an interactive session as many members used the event as a platform to provide their constructive criticism as well as suggestions. The President noted that many members who were raising questions at the AGM today were not present at that particular members day and he was of the view that if they had come up with these issues earlier it would have been very helpful. He also stated that there will be another members' day before the end of December and requested all the members to be present and come forward with their suggestions and concerns.

53. Mr. Wijesinha also inquired whether the \$500Mn addition to property, plant and equipment has been adequately insured. The President confirmed that the properties of the Institute are insured in every respect.

54. Mr. Wijesinha stated that he saw a considerable amount of funds of which the carry forward balances are equal to the brought forward balances and only with some additions to the funds which does not otherwise seem operational, and therefore requested the Operational Review Committee to carry out a review of all funds and to ensure that those funds are made use of for the benefit of needy people.

55. Mr. Wijesinha also proposed to have a fund called members gratis contribution consisting only of the contribution of time. Further he requested Mr. Theagarajah to be the first to contribute to this fund and to contribute 100 hrs of his time which is to be donated as the nucleus amount and the Institute to follow-up. Mr. Wijesinha also thanked the President and the Council and the Secretary for the time they spend without charge for the betterment of the profession and the Institute.

56. A member raised a question as to why the payroll system of the Institute has been outsourced when there are more than 15 CA members employed at the Institute who can easily carryout that task. President answered that the decision to outsource the payroll was made a long time ago by a different Council in order to maintain confidentiality over the salary and benefits granted to the senior management. He further added that nowadays most of the companies outsource the salaries of senior staff members and

similarly the Institute also has outsourced the payroll to an external party and that they have been delivering an excellent job. However, the President agreed to revisit the decision made to outsource the payroll.

57. A member requested the President to manage finances of the Institute by cutting down unnecessary expenditure without increasing the member and student fees. President informed the members that the Institute does not incur unnecessary expenditure and that all the events are conducted within a budget pre-approved by the Council. He further stated that all the finances of the Institute are closely monitored by the Operational Review Committee headed by the Vice President Mr. Arjuna Herath. The President also placed on record that all should appreciate the contribution made by the large number of members by way of contributing their professional time for the betterment of the Institute without charging a fee and said that if their contribution is measured in monetary terms, it will be a large amount of money..

58. The member further inquired from the President whether the Institute has gained any benefit by changing the logo. The member also stated that the Institute is not a marketing institution hence no competitive advantage can be gained for a professional institution through changing the logo. The member requested the President to obtain the consent of the majority of members when making this kind of strategic decision and requested that money should not be wasted unnecessarily. President informed that it is an accepted norm to change the logo of any business or any service oriented organization from time to time in order to move forward and accordingly the Institute also has changed the logo after consultation with the key stakeholders. He further added that the novelty ‘crop up’ of the logo change, was well received locally as well as internationally. President also stressed that the Institute has not incurred any unnecessary expenditure in the exercise of changing the logo.

59. 59. Mr. Dulika Vidanage noted that the Council has recognized the senior members of the Institute by felicitating them with the Hall of Fame awards and requested the Institute to also promote their views and far sighted thinking which are valuable. He also thanked and expressed his appreciation for the dedication and hard work of the president Mr. Sujeewa Rajapaksa during the construction period of the new building. He elaborated that the dedication and hard work of Mr. Sujeewa Rajapakse had greatly helped in ensuring the smooth completion of the construction activities of the new building within a relatively short period of time.

60. Quoting from page no. 37, Mr. Dulika stated that there is only a net increase of 1,500 students in the student base in spite of the millions of rupees spent on logo change and marketing and inquired the reasons for same from the President. President stated that he will firmly stand by the decision taken since this activity was carried out in the proper way by consulting all stakeholders.

61. Referring to the President's Review given on pages 4 and 5, Mr. Vidanage stated that in the previous years, the review was known as the President's message and not as the President's Review. The President accepted the concern raised by Mr. Vidanage.

62. Mr. Vidanage also appreciated the work of the Council and specially that of Mr. Lasantha Wickremasinghe who is working hard to safeguard the interests of the practicing accountants from the Incorporation of Certified Public Accountants of Sri Lanka, a professional body which has sought after practicing rights. President replied that with regard to the CPA matter credit should go to the Council as a whole for the enormous efforts made to safeguard the rights of the Chartered Accountants. President suggested that the Practicing Accountants Forum should have taken up this matter since the issue has a direct impact on the practitioners.

63. Quoting note no. 7 on page 65, Mr. Vidanage stated that even though the income from available for sale investments and held to maturity investments are recorded in the income statements of the Institute, such investments are not recorded in the balance sheet, which indicates that the institute has not correctly classified financial instruments held by it in accordance to the balance sheet date in-line with the new financial reporting standards.

Mr. Vidanage further stated that the depreciation of the new building for one month which should have been charged as per the new accounting standards has been omitted in accounts. President stated that depreciation of the new building had not been considered since the new building opening was held on 12th December 2012 and the balance few days of the month have been ignored.

64. Mr. Vidanage stated that the Institute should have launched the degree programme in a professional way and claimed that the Institute does not have the proper structure to conduct a degree programme as the principles of conducting professional studies and academic education are different. However, he appreciated the efforts made by senior Council members for taking this initiative forward by overcoming the difficulties to get the formalities in place. In response, the President said that the degree programme was launched in a responsible manner to cater to the identified need of a segment of students and also with a view to improving the marketability of the CA Members by producing chartered accountants with a degree. President mentioned that the network and contacts were helpful in getting the formalities in place on time.

65. He questioned the President as to why the members are being charged for the events organized for small and medium practitioners funded by the World Bank (WB) grant. President informed the members that the Institute has conducted a number of workshops for members free of charge from the WB grant and added that the programmes conducted by the Institute were not limited only to the programmes conducted within the Institute. Numerous programmes for stakeholders including the business community have also been conducted in different districts to educate the public on IFRSs and that those programmes will be continued with the GIZ grant received.

66. Mr. Vidanage also requested the president to conduct the upcoming election in a transparent manner as the last election has led to a court case, internal disputes and group politics. He therefore appealed to the members that unnecessary disputes be avoided as these tarnish the credibility of the Institute. President refrained from commenting on the matter as the pending election case is currently being heard in courts.

67. Referring to the vision statement Mr. Vidanage stated that word ‘demonstrating’ is not a suitable word for the vision statement and requested the President to look into same. Referring to the privatization of Insurance Corporation matter, Mr. Vidanage stated that a number of criticisms were to be seen in Sunday newspapers regarding this matter which is believed to be undeserved and requested the President to take action on behalf of the offended members or to reply the journalists before the outside world points a finger at members or the profession, as members are responsible to the society at large as exemplified in the vision statement. President agreed to revisit the vision, mission, objectives and core values since many members have concerns over specific statements. President also stated that this matter is being looked into by the Ethics Committee.

68. Mr. Vidanage further drew the attention of the President to the need to increase the facilities provided to students. He also commented that students have not been provided with a study area even after putting up the new multi-storied building. Mr. Vidanage further requested that fee structure of students be reviewed. President stated that student facilities are always a concern of the Council and that the facilities will be increased with the renovation of the old wing.

69. Mr. Vidanage also placed on record the efforts made and achievements of the examinations division and all those who worked in ensuring the smooth functioning of the examination process by keeping the public trust and confidence on CA Sri Lanka’s examination. He also commended the leadership of Mr. Jagath Perera, the chairman of the examination committee.

70. At the conclusion of the meeting, the President stated that he is extremely delighted to see the enthusiastic participation of all the members and also invited the members to be a part of the Institute’s work through membership in committees whenever possible so that while making a contribution to the Institute they may also get the opportunity to understand the way the council functions and all the hardships they go through. He also stated that it is remarkable how the members take the trouble to go through every single word of the Annual Report and taking a very close look at all the events of the Institute and coming up with suggestions. He added that if the members of every single institute in the country do the same he believes that it will be possible to take Sri Lanka to a whole new level. He also thanked everyone for being there throughout the AGM, including the Council and Mr. Aruna Alwis and the team for all their hard work. The president concluded the meeting wishing everyone a pleasant evening.

71. There being no other business the meeting concluded at 8.00 p.m.

Correct Record


.....
SECRETARY


.....
PRESIDENT

