



Arab Organization for Certified Public  
Accountants

## Towards the Development of Better Corporate, Civil, and Public Governance

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Arab Organization for Certified Public Accountants

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## Identity

### Introducing the Arab Organization for Certified Accountants

The Arab Organization for Certified Public Accountants (AOCPA) is a non-governmental organization established in April 2000. The AOCPA currently encompasses 550 members from 18 Arab countries<sup>1</sup> in the Middle East and North Africa (MENA) region.

The AOCPA is non-political, non-sectarian organization, which aims to enhance the Arab public accountants' and auditors' knowledge and professional performance in addition to providing the foundation for excellence in conducting their tasks based on the high standards of scientific methodology.

#### b. Scope and outreach

The AOCPA strives to assist public accountants and practitioners working in the private sector, capital markets, banks, quasi-governmental companies, public sector, and other civil society groups to achieve better practice in applying the principles of corporate governance, integrity, transparency, accountability, integration, leadership, social responsibility, and commitment. Application of a better practice will assist in the creation of competitive market systems and the development of law-based democratic societies through public-private partnership cooperation to achieve the following stated goals:

- Raise awareness on standards, accounting, and auditing
- Raise the level of transparency
- Educate how to conduct quality work
- Raise standards of Accountability
- Improve the work environment by adopting and mastering corporate governance principles.
- Create a culture of corporate responsibility and commitment
- Reflect on economic development

#### c. Membership(s)

As an organization, AOCPA has applied to become an observer member of the International Federation of Accountants (IFAC) and the International Federation of Francophone Accountants. However, individual AOCPA members already belong to such local, regional, and international professional organizations as: the Saudi Organization for Certified Public Accountants; Lebanese Association for Certified Public Accountants; Tunisian Order Des Experts Comptables; American Institute for Certified Public Accountants; Institute of Chartered Accountants in England and Wales; and the French Order Des Expert Comptables.

#### d. Administrative Committees

The permanent committees of the AOCPA are as follows:

<sup>1</sup> Annex #1

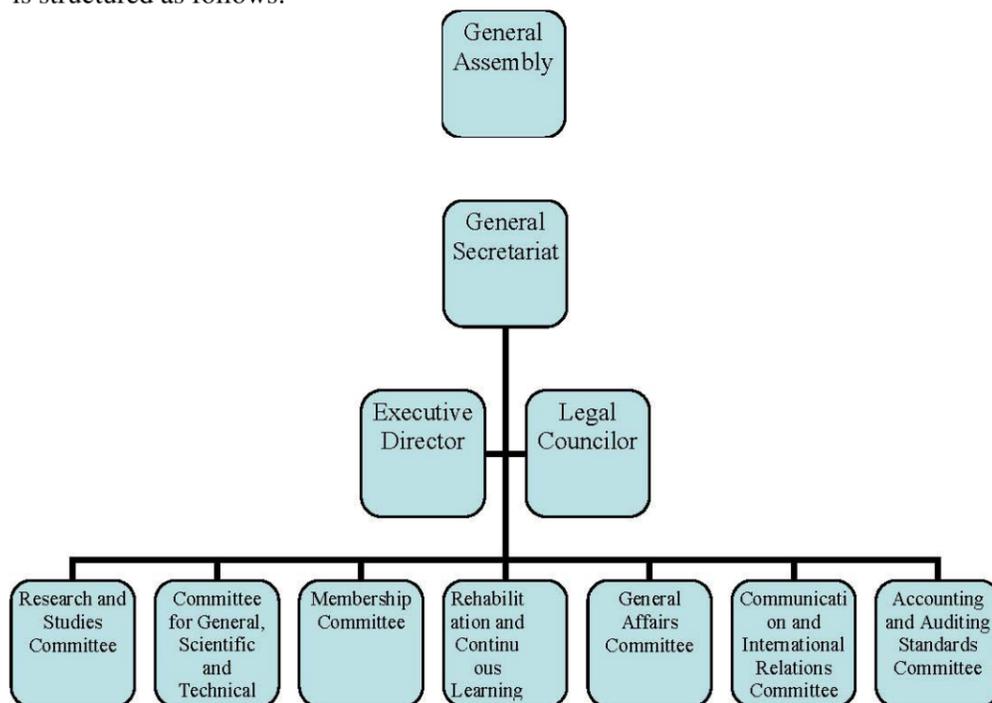
- ⌚ Research and Studies Committee
- ⌚ Committee for General, Scientific and Technical Conferences
- ⌚ General Affairs Committee
- ⌚ Membership Committee
- ⌚ Rehabilitation and Continuous Learning Committee
- ⌚ Communication and International Relations Committee
- ⌚ Accounting and Auditing Standards Committee

Other permanent or ad-hoc committees may be formed for the purpose of studying a particular issue or to conduct a specific project. They report and present their findings to the General Secretariat.

**e. Structure**

The management of the AOCPA is entrusted to a General Secretariat that runs and supervises the day-to-day business of the organization and endeavors to implement the General Assembly resolutions and decisions. The Executive Committee of the General Secretariat is composed of five individuals headed by the Secretary General and assisted from Lebanon by an Administrative Assistant and a Financial Assistant. And from outside Lebanon the Secretary General is also assisted by Scientific Matters and Strategic Activities assistants. Delegates of each country have the representation right in the Secretariat of at least one member. Currently the Secretariat is composed of 21 members and is elected every 3 years.

The Arab Organization of Certified Public Accountants is based in Beirut, Lebanon and is structured as follows:



## II. History and Achievements

### a. Landmarks

The main reason for establishing the AOCPA was the need for a practical framework to group Arab accounting experts and facilitate exchange of knowledge, opinion, and experience as well as to share and review new international advancements in the field. Each Arab country contains a small number of accounting experts the reason which made advancement and research a difficult and costly endeavor. Several heads of Arab accounting organizations and accounting experts attending a conference in Tunis (1999) discussed the necessities and needs for a professional setup to group them and facilitates their work to empower them face challenges arising from market liberation resulting from globalization.

The Lebanese Certified Accountants Order adopted and supported the formation and establishment of the AOCPA and provided logistical support for a couple of years until the AOCPA was able to function in an independent form.

Although it is a fairly new organization, officially established in 2000, the AOCPA has already achieved the following milestones:

- ⌚ Membership from 18 Arab countries
- ⌚ Conducted 15 regional training seminars and workshops on various issues of the profession. Five were held in different Arab countries
- ⌚ Organized eight scientific and professional international conferences
- ⌚ Published and distributed a monthly technical newsletter
- ⌚ Established a website for the organization

### b. Activities (2000 – 2005)

Conferences and Workshops<sup>2</sup>:

- 1 *Arab Economy and e-Business scopes*
- 2 *Self-Employed Professional International Accounting standards and Francophone tandems*
- 3 *Occupational Cooperation and Integration in coping with Globalization*
- 4 *Good Governance Effects on Enhancing Investment*
- 5 *Entrepreneur and Accountant (Financial) Experts Partnership in Enhancing Investments*
- 6 *Small and Medium Enterprises Access to Financial Markets*
- 7 *Taxes Effects on Investment*
- 8 *Enhancement of Financial Reporting in Lebanon (in partnership with the World Bank)*

<sup>2</sup> Conference and workshops briefs detailed in Annex # 2

Seminars<sup>3</sup> :

- 1. Development of Clients' Business Plans*
- 2. Value Added Tax and it's Implementation (2)*
- 3. Competitive Strategic Planning*
- 4. Liquidity and Cash Flow Management*
- 5. Modern Administrative Practice in Scope of Globalization*
- 6. Auditing Firms Marketing Concept*
- 7. Competitive Strategic Planning (Republic of Lebanon)*
- 8. Companies' Performance Evaluation and Accreditation*
- 9. Data (listing) Review Techniques and Implementation*
- 10. Derivatives and Financial Tools*
- 11. Marketing Methods for Auditing Firms Services*
- 12. Avoiding Auditing Common Mistakes*
- 13. Preparing Feasibility Studies*
- 14. Basics to Audit Quality Management Systems*

<sup>3</sup> Seminars briefs detailed in Annex # 3

### III. Purpose, Strategy, and Plan of Action

#### a. Purpose:

The AOCPA purpose is to mobilize and enhance the capacities, capabilities, and expertise of Arab accountants and auditors to serve Arab accounting professionals in particular and the economy at large.

By organizing and boosting cooperation between the members of the AOCPA, fraternal ties between the Arab accountants and auditors will be cemented, their expertise and capabilities will be mobilized, and their efforts towards the development of the profession will improve professional standards and practice of corporate governance in both the profession and the various sectors that are served.

The AOCPA will endeavor to standardize the laws and regulations organizing the accounting and auditing profession in Arab countries in order to attain the highest possible moral and ethical standards as well as facilitate cooperation and opening of markets. Consequently, cooperation between the Organization and its affiliated unions, organizations, and association will be facilitated and improved.

The organization of scientific symposiums on development matters, continued learning and advancement, and various issues of relevance will enhance the profession's performance in delivering their services.

#### b. Strategy and Plan of Action 2005 – 2008:

The future plans of the Arab Organization for Certified Public Accountants for the next three years are focused into several main development areas designed to enhance performance. They are:

- ⊕ Enhancing the AOCPA's capacity in reaching out to all of its members and other Arab accountants and auditors by:
  - Improving the website will allow for and be conducive to improved communication and interaction among the Secretariat and the members directly by establishing e-mail accounts for all members, creating a dialogue forum for members to post their views on professional matters and other issues of interest, and providing the capacity to conduct on-line research of accounting, finance, and auditing developments.
  - Building an electronic library that will make available reference materials, new accounting and auditing procedures, and other resource material for improved performance.
  
- Launching a scientific periodical and an electronic newsletter that will cover topics and subjects about; accounting, taxation, financial,

economic and management developments along with other news of interest to the profession. ○ Developing an online electronic training module that will deliver and provide specially designed materials to members in order to enhance their capacity to improve and be able to provide better service to their clients.

⊕ Improving professional performance based on knowledge and continued training of members. A major step in this direction will be achieved in translating the “International Standards on Auditing” and “International Financial Reporting Standards” into Arabic (after securing publisher’s approval) and distributing it to members – an indexed electronic version would be made available on-line to members and subscribers

⊕ Continuing the training workshops and seminars for both members and all other interested professionals in the field to develop and enhance performance and adherence to international standards and to attain, through auditing, improved corporate governance practices. The below activities are envisaged and planned for the year 2006:

- Cairo, Egypt: “Transparency and Disclosure to Achieve a Better Investment Environment in the Arab Countries” (February 4 - 5, 2006)
- Khartoum, Sudan: “Financial Statements’ Effects on Investments” (March 11 - 12, 2006)
- Manama, Bahrain: “Internal Audit Standards and Procedures” (April 2006)
- Sharm el Sheikh, Egypt: “Basis for Companies Evaluation” (June 2006)
- Beirut, Lebanon: “Basics of Information Systems Security” (July 2006)
- Beirut, Lebanon: TBD (September 2006)
- Istanbul, Turkey: TBD (November 2006)
- Beirut, Lebanon: TBD (December 2006)

⊕ Establishing a “Research and Development Center” for the Research and Studies Committee of the AOCPA. The Center’s aim will be the follow-up and implementation of workshops’ recommendations, production and dissemination of educational and training material (both through the website and in workshops), track new developments in the field and translate (into Arabic) and inform all members, and to conduct various research and surveys for the AOCPA. It is envisaged that three full-time key staff will be required to perform the above mentioned tasks. Certain professional and technical tasks may need to be outsourced to third parties.

⊕ Relocating and renovating AOCPA’s offices in Beirut, during 2006, to be better able to support and implement it’s growing role and responsibilities in addressing the various subjects mentioned above and for its future structured vision and plans.

Finally, the Arab Organization for Certified Public Accountants strives towards the excellence and perfection of the standards governing the practices of accountants and auditors in order to protect both public and private interests and to define the traditions and customs that are supposed to prevail between the professionals and their clients. The importance of the AOCPA thereon lies in its active role of improving corporate and public governance, unifying standards, laws, and regulations in the Arab countries a goal perused by all the major institutions and organizations in this age of mobility, universality, and globalization.

#### IV. Annexes

##### **Annex 1**

The Executive Committee of Founding the General Assembly:  
The General Secretariat (elected in September 2005 till 2009):

Dr. Ali Al-Awadi	Dr. Mowafaq Al Yafi
Dr. Anwar Alkhafash	Dr. Monsif Busanuga Al Zamouri
Mr. Jamal Jarad	Dr. Midhat Ismail
Mr. Al	Mr. Mohammed

Mr. Jamal Jarad (Algeria) Mr. Mustapha Ragib (Egypt) Mr. Jamil Jilati (Lebanon) Mr. Ali Ibrahim Khamis (Lebanon) Mr. Rabi Asmar (Lebanon) Mr. Muhammed Salah Al-Aubailan (KSA) Mr. Tijani Zahiri (Morocco) Mr. Imlal Al-Kabir (Morocco) Mr. Shaikhi Al-Arabi Ikram (Algeria) Mr. Hussain Sahnouni (Algeria) Mrs. Farida Gharfi (Algeria) Mr. Monsif Busanuga (Tunis) Mr. Sultan Rashid Al-Atifi (Kuwait)

Mr. Ttahir Isa Al-Jazouri (Libya) Mr. Faisal Mukhtar Swaidan (Libya) Dr. Mohammed Farah Abdelhalim (Sudan) Mr. Ibrahim Al-Eid (Qatar) Mr. Hussain Ali Abdallah (Qatar) Mr. Mohammed Hamid Al-Meri (UAE) Dr. Ahmad Omar Bamshmous (Yemen) Mr. Ahmad Walad Al-Sadik Al-Hayba (Mauritania) Dr. Omar Al Saati (KSA) Dr. Adel Boodai (KSA)

c. Executive Committee of the General Secretariat (2005 – 2009)

Mr. Jamil Jlaylati (Lebanon)	Dr. Mowafak Al Yafi (Lebanon)
Mr. Rabih Asmar (Lebanon)	Mr. Tarek Youssef (Egypt)
Dr. Ali Al Awadi (Kuwait)	Mr. Mohamad Suleiman Al Salah (Bahrain)
Mr. Sultan Al Atifi (Kuwait)	

Saudi Arabia	Lebanon	Algeria
Sudan	Libya	Bahrain
Syria	Mauritania	Egypt
Tunis	Morocco	Iraq
United Arab Emirates	Palestine	Jordan

## Annex 2

### Conferences and Workshops:

Arab Economy and e-Business Scopes (2002) The three-day workshop handled several main issues and subjects: e-commerce and auditor' responsibilities, improving investment climate, Western auditors problems effect in the Arab world, electronic trade and increase in investments, e-signature e-trade and internet and intranet security systems, auditors in the modern economy.

Self-Employed Professional International Accounting standards and Francophone tandems (2002) The plenary sessions covered the two main subjects of the stages that lead to the current (say what!) situation and the specificities of unifying accounting in the Francophone countries. Afterwards the breakout workshops dealt with the following main issues: Liberal professionals' trade standards with emphasis on; doctors, engineers, pharmacists, dentists, lawyers, editors, accounting professionals, and the importance of accounting to other liberal professions. The developments of information technology in controlling, monitoring, and conducting auditing work were elaborated. New developments and auditing standards were outlined along with the effects of transparent financial reporting on encouraging investments. Finally the role of the accountant and auditor were discussed in light of the globalization.

Occupational Cooperation and Integration in coping with Globalization (2003) The effect on corporate investments advancement in an environment of mergers and acquisitions was outlined in this workshop along with the globalization challenges on the hospitality, education, industrial, media, and intellectual property sectors. The electronic opening of international markets was debated along with its security requirements. This workshop also covered the ISO 17799/BS7799 subject. Cultural differences in post-merger integration awareness business terminology functionality were also outlined. The step forward for the future cooperation of accountants work lies in good governance. Finally various issues of globalization along with the European Common Market effects on economic integration and development were studied.

Good Governance Effects on Enhancing Investment (2003) Productive economic sector challenges in adopting good governance measures were highlighted from a corporate governance view on practice vs. rules in Egypt. The case of Jordan corporate governance exercise and how it enhanced economic viability, development, and competition was presented. The role of good governance in privatization success, mergers, and board of directors' representation and oversight in Lebanon were presented and again the Jordanian privatization exercise was demonstrated. Another axis discussed in the workshop was international rating firms work in enhancing financial markets and the adoption of international standards to improve trust. The second part of the workshop highlighted the issue of accounting as the starting point to improve governance with respect to financial disclosure trustworthiness. The role of accounting consultants in enhancing good governance subject was also stressed. Finally the role of governments in launching these concepts was encouraged.

Entrepreneur and Accountant (Financial) Experts Partnership in Enhancing Investments (2003) This workshop kicked off with an exposition of the general atmosphere effect on enhancing and improving investments and then focused on laws and procedures in support of investments. The role of accounting experts in providing / bestowing trust to financial reports was discussed in details.

Small and Medium Enterprises Access to Financial Markets (2004) In this workshop the development challenges and opportunities for small and medium enterprises were discussed with emphasis on the benefit of implementing good governance practices on access to capital funds and markets. The auditing oversight institutions role in supporting SMEs development was highlighted. The Middle Eastern financial markets and the conditions required for initial public offerings in stock exchanges were outlined. The future effect of SMEs and business incubators were elaborated on these markets.

Tax Effects on Investment (2004) This conference addressed several issues; Tax breaks and exemptions effectiveness on increasing economic activity, taxes role in encouraging industrial projects, tax governance and its' effect on attracting investments, free trade zones effects on attracting investments, and causes for tax evasion. Cases studies of Egypt, Saudi Arabia, Morocco, and Jordan experience were presented.

## **Annex 3**

### **Seminars:**

Development of Clients' Business Plans (2000) The various aspects of the business plan were dealt with during this seminar, with special emphasis on diagnosing capacities, external environment, setting goals, developing sales, revenue, and production plans. Management and financial planning were also emphasized along with methods of raising capital and finally implementation and adherence.

Value Added Tax and its Implementation (May 2001) Two seminars were held to help the Ministry of Finance disseminate information on the recently introduced Value Added Tax in Lebanon. VAT, like any newly introduced subject was misunderstood, the seminars dealt with its reasons, calculation, and accounting procedures.

Competitive Strategic Planning (November 2001) Participants were exposed to the general model of strategic planning, thinking, vision, and company mission. After this exposition, participants broke into working groups and constructed + designed mock companies' missions, visions, and analyzed internal and external environment effecting performance. The second component of the training introduced the SWOT Analysis (strength – weaknesses- opportunities-threats) and was followed by activities to simulate real life models.

Liquidity and Cash Flow Management (February 2002) In the framework of improving the capacity of financial advisors and consultants, this course dealt with liquidity management methods, cash flow optimization, cash payments and collection systems, controlling cost of capital expense (loan vs. external financing), and investments.

Modern Administrative Practice in Scope of Globalization (June 2002) Local and international developments of business and management practice were highlighted in an environment of fast change, total quality, and a global market place. The need to reform human resources, financial and accounting systems and practice, and modern management and leadership skills were emphasized.

Auditing Firms Marketing Concepts and Methods (September 2002) New marketing methods and trends were introduced emphasizing market understanding and analyzing success factors. Various marketing methods and their role in relation to a company's activity were also presented. Market and competitors assessments are crucial for growth strategies and directing marketing visions. Finally performance and evaluation of marketing strategies were presented.

Competitive Strategic Planning (Republic of Lebanon – February 2003) This course presented participants with several models related to strategic planning, thinking, vision, and mission for companies. Participants conducted exercises and activities relevant to these subject in addition to conducting SWOT analysis and evaluations.

Companies' Performance Evaluation and Accreditation (July 2003) The program covered internal auditor's role in evaluating the company's personnel performance levels, financial and accounting performance, administrative performance, and total quality management performance.

Data (listing) Review Techniques and Implementation (February 2004) The course empowered participants with a solid foundation in the basics of computer audit and use of computer assisted audit tools and techniques. Participants learned the purpose and the scope of computer audit, the different types of controls and how to audit and test them in automated applications in different data processing environments.

Derivatives Financial Instruments (August 2004) The three day seminar and training on the derivative and financial instruments highlighted the importance of these tools in facilitating transactions among investors in international markets. These instruments use in Arab markets was reviewed and their importance in stimulating development highlighted. Several accounting experts expressed the need further training to enable them provide services related to these financial instruments.

Marketing Methods for Auditing Firms Services (November 2004) New marketing methods and trends were introduced in a practical and methodical way that dealt with measuring marketing effectiveness and success factors with special emphasis placed on assessing and analyzing markets, strategies, and competitiveness with attention to factors effecting performance, vision, and productivity.

Avoiding Auditing Common Mistakes (May 2005) The two day seminar dealt with training and rehabilitating the profession's cadre on avoiding common mistakes in their auditing work and of disclosure of accounting misrepresentations. Special emphasis was given to auditing mistakes detection in the auditing work for banks, publicly traded companies, and privately held ones along with methods of addressing these mistakes and revealing them to management.

Preparing Feasibility Studies (June 2005) This seminar addressed the various aspects of feasibility studies concentrating on issues mainly dealing with; its concept, importance, classification, and preparation for the marketing, architectural, and technical sectors.

Basics to Audit Quality Management Systems (November 2005) Quality management systems audit methods with respect to ISO 19011 Audit stages; planning, preparing, implementing, reporting, and following up were emphasized in the audit process. In this course, detailed emphasis was placed on the subjects of audit process categories, goals, and follow up on audit results.