



SEEPAD

South Eastern European Partnership on Accountancy Development

11000 Belgrade, Njegoševa 19, - POB 403, Serbia and Montenegro; Phone (381-11) 3344-404, 3239-444;

Fax: (381-11) 3231-220

www.seepad.org E-mail: seepad@yubc.net

The IIIrd General Assembly of SEEPAD

MINUTES

Sofia, June 9-10, 2004

THE IIIrd GENERAL ASSEMBLY OF SOUTH EASTERN EUROPEAN PARTNERSHIP ON ACCOUNTANCY DEVELOPMENT (SEEPAD)

June 9-10, 2004 Sofia – Bulgaria

MINUTES

According to article 5.1.4. in SEEPAD Chart, the third ordinary General Assembly of SEEPAD took place on the 9th and 10th of June 2004 in Sofia, Bulgaria.

The following countries and associations have been represented>

I. PARTICIPANTS - Full Members

No.	Country	Institute	Representatives
1.	Albania	- Albanian Institute of Authorized Chartered Auditors (IEKA) - Albanian Association of Certified Accountants (LPKM)	Romeo Mitri, Deputy President IEKA
2.	Bulgaria	- Institute of Certified Public Accountants in Bulgaria (ICPA)	- Simeon Milev, President - Dimitar Jeliaykov, Vice-president - Boyko Kostov, Council Member

			- Gavril Gavrilov, Chairman of SEEPAD Education, Ethics and Quality Committee
3.	Greece	Institute of Certified Public Accountants of Greece (SOEL)	George Karamichalis, Expert Accountant
4.	Republic of Moldova	Association of Professional Accountants and Auditors of the republic of Moldova (ACAP RM)	Irina Buchatsky, President
5.	Montenegro	The Institute of Accountants and Auditors of Montenegro (IAAM)	Zoran Todorovic, Executive Director
6.	Republic of Srpska	The Association of Accountants and Auditors of the Republic of Srpska	- Vladislav Djurasovic, President - Nevenka Petrovic, Consultant
7.	Romania	The Body of Expert and Licensed Accountants of Romania (CECCAR)	- Marin Toma, President of CECCAR (Vice-president of SEEPAD) - Enea Constantin, Vice-president - Daniela Vulcan, President's Councilor - Andreia Manea, Secretary at the International Relations Commission
8.	Serbia	Serbian Association of	- Pero Skobic, General

		Accountants and Auditors	Secretary (President of SEEPAD) - Miodrag Zivkovic, Executive Director - Zoran skobic, International Relations Councilor
--	--	--------------------------	---

OBSERVANT MEMBERS

1. USAID
2. L'Ordre des Experts Comptables (OEC) and Compagnie Nationale des Commissaires aux Comptes (France)

A delegation from FYR Macedonia, consistent of Mr. Nikolaki Miov, Auditor, and Ms. Kristina Tilik, Assistant Director, was present.

Also, representatives from the following international bodies participated at the General Assembly:

1. International Federation of Accountants (IFAC)
2. The Association of Chartered Accountants (ACCA)

The List of the General Assembly Participants is presented in detail in annex 1.

II. AGENDA

The Agenda proposed by the Council and approved by the General Assembly was the following:

Day one June 9, 2004

1. Report concerning SEEPAD activities undertaken in the period 2002-2004
2. SOEL's Proposal regarding the change of location of SEEPAD Secretariat to Thessaloniki
3. Ratification of SEEPAD-ACCA Agreement

Day two June 10, 2004

4. Elections for SEEPAD positions of President, Vice-president and Council Member for the period of 2004-2006
5. Presentation of professional themes
6. Approval of the methodology concerning member fees
7. Decisions regarding new membership candidates
8. Future SEEPAD activities
9. Miscellanea

III. THE CARRY ON OF ACTIVITIES

The General Assembly works were opened by President Pero Skobic, who presented the participant member bodies and concluded that the General Assembly is statutory. Also, the President of the Bulgarian Institute, Mr. Simeon Milev, welcomed the participants.

1. President's Report

The first agenda issue – the Report regarding the activities undertaken by SEEPAD in the period of 2002-2004 – was presented briefly by President Pero Skobic.

Mr. Romeo Mitri, the representative of the Albanian Institutes, made a few remarks on the Report, saying it would have been better if the Report and all the other documents for debate and approval had been received before the General Assembly; he thanked the President and Vice-president for the activities undertaken and the efforts made in SEEPAD's best interest and to the Secretariat for the administrative support that was given in the past two years.

Also, the representative of the Republic of Srpska, Professor Djurasovic, thanked SEEPAD's Staff that did a very good job in this period of beginnings for SEEPAD. After that, he invited every USAID supported professional body to think more about the development of their own activities given the fact that the financial support will no longer exist: the accounting profession in the region continues to have a future and we have to find methods to solve our internal problems – Mr. Djurasovic continued.

The Report regarding the Activities Undertaken by SEEPAD in the period of 2002-2004 and The Report regarding the financial situation at 31st of December 2003 were voted unanimously.

2. SEEPAD Headquarters Issue

The next issue debated in the session was that concerning SOEL's proposal to move SEEPAD Secretariat in Thessaloniki.

SOEL's proposal, signed by the President of the Greek Institute, Mr. harilaos Alamanos, was presented by Mr. George Karamichalis, who argued that moving the Headquarters to Thessaloniki is the best solution in order to help and support the activities undertaken by SEEPAD; in supporting this proposal, Mr. Karamichalis mentioned SOEL Institute's

vast experience , the modern offices and the logistic support necessary for a Secretariat, the fact that Greece is a member of the European Union – a very positive support for promoting the profession in the region – and also the geographical convenient position Thessaloniki has.

This proposal raised a series of debates. Thus, Mr. Mitri rose the functioning of the Secretariat costs issue. Concerning the budget, the costs will be higher if the Secretariat will continue to function in Belgrade or if it's moved to Thessaloniki – Mr. Mitri asked. He also said that Greece is a member of the EU and that most of the members will be required visas to enter Greece, so, he asked, how will the members be able to get together?

Mr. Karamichalis stated that Greece was the host of many international reunions and conferences and that the participants didn't have any problems with obtaining the visa; also, moving the Secretariat to Thessaloniki won't represent an extra cost to SEEPAD. On the contrary, it will bring financial benefits as a series of facilities will be offered, like modern logistics that will be put to the disposal of the Secretariat and the facilities given to the staff etc.

Next, Mr. Jeliazkov from Bulgaria proposed that the Secretariat remains in Belgrade due to the two year experience and stated that the results will not be different if the Secretariat is moved to Thessaloniki. He asked about the budget making if the headquarters is moved to Thessaloniki, more exactly if the expenses will remain the same or they will have to be adapted to Greece (Thessaloniki). Next, Mr. Jeliazkov mentioned that if all those present agree to move the Secretariat then Bulgaria will also agree to that, but only if the move is permanent and to a place that will provide for all the conditions necessary for the organization of SEEPAD meetings.

Mr. Skobic stated that in Belgrade, the secretariat's activities have been performed for free and that if visas are needed for Greece then the Secretariat should be moved to Sofia or Bucharest or it should remain in Belgrade; but the Secretariat can no longer operate without funds.

Mr. Karamichalis insisted that everything is arranged for a quick move of the Secretariat.

Mr. Thompson, ACCA representative, broke into the discussion with some financial proposals for the functioning of SEEPAD; proposals that are presented in the Agenda material (in the Agreement) and that will contribute – said Mr. Thompson – to the proper functioning of the Secretariat and to the funding of professional programs that SEEPAD initiated. He said that Greece's proposal should be considered complementary to that concerning the funding from ACCA. Mr. Mitri stated that, in fact, the transfer of headquarters is a decision pertaining to the General Assembly and that SEEPAD's real problem is that related to the financial part. Up to now, SEEPAD's Management wasn't able to find financial support for the development of the accounting profession in the region and that maybe Greece or France or ACCA are alternatives for solving SEEPAD's problems and, consequently, the internal problems of every country.

Mr. Karamichalis broke into the discussion again sustaining the proposal of transferring the Secretariat's Headquarters to Thessaloniki; in his opinion, the proposal has nothing to do with the fact that ever since the Secretariat has been in Belgrade there has been nothing or too little done; he thinks sacrifices have been made for the functioning of SEEPAD and that Greece can spread SEEPAD's name all over the world.

The Bulgarian Institute's representative proposed to the General Assembly that the decision of transferring the secretariat be taken the

next day, after the election of the President who will set the future of the Headquarters.

3. ACCA-SEEPAD Agreement

Mr. Pero Skobic is reminding the fact that the President and the Vice-President have been entitled by the Council to negotiate with ACCA the signing up of an Agreement for the financial support of SEEPAD, so that its activities can develop in the region. The General Assembly has to decide regarding the two proposals coming from ACCA in order to finance SEEPAD's activities and from the part of the Greek Institute to fund the Secretariat of SEEPAD, taking into account the fact that the cooperation with the USAID had no results, and funding has been stopped. In addition, Mr. Skobic is asking the assistance whether they have any information concerning a meeting which will be organized by the World Bank in the month of June a.c. in Brussels and what will be the effects on the accounting profession in the South-Eastern region of Europe after this meeting.

Mr. Milev from Bulgaria intervenes and sustains that SEEPAD is not a large organization, so the secretariat location should be in the country of origin of the elected president.

The next intervention is that of Mr. Messina, the ACCA representative, who underlines the fact that moving the secretariat every time when a president is elected will cause real problems to SEEPAD, as from his experience as a Secretary General of the FCM, the organization of meetings in the region has always created some problems and it would not

be very practical to change the location so often. The Secretariat has to be independent and to function in the same place, no matter who is the president of SEEPAD, Mr. Messina concluded. Mr. Jean Francois des Robert from France is reminding that SEEPAD organization is very important for the region and therefore it has to do more than it has already done; from the point of view of France, moving the secretariat in Thessaloniki will allow the development of the SEEPAD activities. As concerns the meeting of the World Bank from June, Mr. des Robert affirms that the development of the accounting profession is wanted in this European region, as the present day situation from each country is not clear enough. SEEPAD must establish some precise objectives as concerns what is wanted to be done in the region and in each member country, because only then it will receive support even from the World Bank. Mr. Des Robert underlines the fact that SEEPAD should make some proposals regarding professional programs and objectives for the continuous functioning of the organization. They should be presented at the South-Eastern European meeting organized by the World Bank in the month of June a.c.

The representative of the Bulgarian Institute underlines the fact that he is against the signing up of the ACCA Agreement, as it does not respect the provisions of the Chart concerning the registration of some countries of the region in the SEEPAD organization, while the ACCA is a body in Great Britain and it candidates as such, not as a country.

The Republic of Srpska makes the same proposals regarding the decision about moving the SEEPAD Secretariat the day following the election of the president, who is entitled in fact to decide about the future location.

Mr. Toma Marin, Vice-President in function of SEEPAD, intervenes and underlines the fact that as concerns the signing up of the ACCA Agreement there is no impediment and invites Bulgaria to a closer study of the Chart; there are no impediments to accept ACCA as a member. In addition, according to Mr. Toma, an important decision as regards the continuous development of activities is that of ACCA as, according the Agreement, it is ACCA which brings the funds. He regrets again that all the General Assembly discussions concern only the financial part. He reminds the fact that during the last two years significant progress was made in the field of accountancy and audit of the region; there were implemented the IAS/IFRS, the Quality control of members, the IFAC Code of Ethics, as well as the IFAC Education Standards; if discussions are limited only to funding, Mr. Toma affirmed, then the problem of moving the Secretariat is a complementary one, as the situation is very obvious: we cannot develop our future activities as a serious association in the region if we change the Secretariat any time a president is elected; the decision must be taken today by the General Assembly, according to the approved agenda.

Mr. Thompson intervenes and emphasizes the fact that ACCA is not the body of the accounting profession in Great Britain and the member bodies of SEEPAD can adopt for their country what they want from this proposed Agreement. Mr. Messina completes the intervention by saying that ACCA is in fact a world wide organization, which encourages the development of the accounting profession, the development of the professional training of accountants and it encourages in fact the authority of institutions without imposing any rules.

Greece, Mr. Karamichalis respectively, states that it has nothing against the Agreement with ACCA, but on the contrary, the two questions in discussion, namely the SOEL proposal to move the Secretariat and the signing up the ACCA Agreement respectively are for the good of SEEPAD, and therefore results have to be followed, so that the activities of the profession can be developed in the region.

Under vote, the SEEPAD – ACCA Agreement (presented in Annex 3) is ratified with majority of votes by the General Assembly (one vote against – the Bulgarian Institute). The Agreement was signed by Mr. Pero Skobic and Mr. Toma Marin from the part of SEEPAD and by Mr. Allen Blewitt, executive director of ACCA.

Mr. Toma Marin underlines the fact that this agreement has to be in force very soon in order to be able to continue the SEEPAD activities and at the same time he invites France and Italy to sign up new agreements with SEEPAD.

Second Day

During the second day, namely June 10, 2004, works are opened again by Mr. Pero Skobic, who presented proposals forwarded to the Council concerning the functions of president, vice-president and treasurer: the election as a president of Mr. Toma Marin from Romania, as a vice-president Mr. Dimitar Jeliaskov from Bulgaria and as a treasurer Mr. Romeo Mitri from Albania.

Proposals concerning the new candidatures are submitted to vote to the General Assembly, with the following results:

In unanimity of votes, the General Assembly decided:

1. The election of Mr. Marin Toma, the President of CECCAR as the President of SEEPAD
2. The election of Mr. Dimitar Jeliakov, the representative of the Bulgarian Institute, as the Vice-President of SEEPAD
3. The election of Mr. Romeo Mitri, the representative of the Albanian Institutes, as the treasurer of SEEPAD.

Under vote, the General Assembly, unanimously approved the members of the SEEPAD Council (Annex 4).

After that, changing of places in the Council took place, the leadership of the General Assembly being undertaken by the newly elected President, Mr. Marin Toma and by the elected Vice-President, Mr. Dimitar Jeliakov.

President Marin Toma is thanking the General Assembly for their confidence concerning his election as a President of SEEPAD and emphasizes the fact that he had a very good cooperation with Mr. Pero

Skobic, through several reciprocal consultations in any problem discussed within SEEPAD, and that the activity under the presidency of Mr. Pero Skobic was developed in a rather difficult period of time, with good results during the two years.

For the whole activity developed as a President of SEEPAD, the President Marin Toma has the honor to handle, in front of the General Assembly, to Mr. Pero Skobic, a plaque on behalf of the SEEPAD Council, symbolically representing the acknowledgement of merits during his mandate.

After that, Mr. Marin Toma, as a President of SEEPAD, made some propositions of general objectives, to be achieved by SEEPAD during the following period, namely during the following year. These propositions were handled to participants during the General Assembly. Mr. Toma underlined the fact that in order to achieve these objectives several conditions are necessary for the bodies of the SEEPAD member countries.

First of all, he declared, all elected executive structures of SEEPAD have to observe the provisions of the Chart, which cover all conditions to develop the SEEPAD activities.

Secondly, the attitude towards SEEPAD must be changed, namely that all participants from the SEEPAD member countries have to think in the interest of the region as a whole, and not in the interest of the institute he belongs to.

Thirdly, there must be straightened the cooperation with the European and international organizations. According to Mr. Toma, the Chart creates some conditions to admit new members, from other countries, after the Council recommendation, because SEEPAD is not a closed organization. For example, the French profession can be a full member, because it has been supported us for many years, or the Italian profession, and thus together with the profession of Great Britain we can contribute to the development of our profession in the region, he stated.

Fourthly, USAID must reanalyze the situation of SEEPAD, and may be it will change its opinion about the support of our activities. In addition, Mr. Toma appealed to other professional organizations to negotiate with SEEPAD in order to sign up more conventions of cooperation.

These steps, Mr. Toma said, are the conditions to achieve the proposed actions in the following period of time.

Mr. Toma proposes to the General Assembly to discuss the following points of the Agenda, not before hearing some more commentaries or suggestions to the above mentioned propositions. The present members had no commentaries to make concerning the propositions presented by the President and agreed to the continuation of the Agenda.

Next there took place some discussions as a continuation from the previous day, concerning the moving the SEEPAD Secretariat. The President Toma reminds that as concerns the moving of the location there is legal coverage, namely Art. 1.8. of the Chart, which stipulates that the

official address of SEEPAD can be moved any place in the member countries, by a majority of votes of two thirds from the members of the SEEPAD Council”. The decision to move the location is not an easy one, Mr. Toma said, and questions such as “Why do they change location? Why in Thessaloniki?” find their answers among the criteria established by Mr. Sebastian from OECD together with USAID, which were taken into consideration in the meeting in Istanbul and which can be observed, even if the location of the secretariat is changed. What is important to us, continued Mr. Toma, is that if we want to demonstrate we are a regional organization, we must know what we want. The objectives stipulated in the Chart are important and they cannot be achieved only by our forces, but by funding. Now, from the managerial point of view, Mr. Toma said, “I shall take care to have coherence in decisions to be taken”. “From yesterday’s discussions, continued Mr. Toma, there resulted that the moving of location is a complementary question which is part of that package of measures which insures the efficiency of the SEEPAD activity for the future. Then, the SOEL proposition was submitted to vote.

In unanimity of votes, the General Assembly decided:

- to move the location in Thessaloniki, Greece.

- Within 45 days, the two institutes of Greece and Serbia will proceed to make the fulfill the necessary formalities, namely: to transfer the accounts, the patrimony etc., in order to begin the activities.

4. Professional Themes

1. Mrs. Claire Egan, Executive Manager of the Education Committee of IFAC, introduced the new IFAC International Standards of Education (IES 1 – 6), compulsory for all the IFAC member countries, starting from January 2005 and IES 7, compulsory starting from January 2006 (Presentation included in Annex 5).
2. Mr. Gert Karreman, a Director within the Global Accountancy Education Project Director, presented the Project of standardization of the global accounting education (Presentation included in Annex 6)
3. Mr. Jean Francois des Robert, Director of International Relationships of OEC France presented the Project of the 8th Directive concerning the Statutory Audit (Presentation included in Annex 7).

Presentations were followed by questions and commentaries, being highly appreciated by the assistance.

5. Methodology concerning Membership Contributions

The President presented the Methodology. After a few debates it was approved unanimously (Annex 8).

6. Future Activities of SEEPAD

In order to accomplish SEEPAD's goals and objectives, Mr. Toma presented the list of activities that will be organized by SEEPAD in the next period. (Annex 9)

The activities program was unanimously approved.

7. SEEPAD Budget for 2005

Mr. Toma presented a new budget project for 2005 to the General Assembly, a budget that is closer to the realities of SEEPAD compared to the provisional budget set three years ago.

Mr. John Seong (USAID) broke into the conversation and said that USAID can contribute to the actions regarding the quality control and the implementation of the Ethical Code for SEEPAD member bodies and agreed to support the activities undertaken by SEEPAD's new Management.

Mr. Thompson agrees that Greece's support is welcomed for SEEPAD and so is France's, when it will come.

President Toma thanks for the confidence USAID granted him through Mr. Seong and assures him that everything he had done up to now was

very good and invites him to present initiatives that would support SEEPAD management in achieving its objectives.

SEEPAD's Budget for 2005 was voted and unanimously approved (Annex 10)

Given the fact that the Serbian Institute supported all the expenses up to now, we are proposing the payment of the persons that worked in the past two years at the level of 15,000 EUR (for the two persons that worked in SEEPAD Secretariat, Mr. Zoran Skobic (Secretariat executive, administrative, translations and web-site updating work) and Mrs. Vera Drobnjak (accounting work). With one vote against, from Ms. Irina Buchatsky, Moldova, the proposal is approved.

For the implementation of General Assembly's decisions with regard to the financial aspects, the General Assembly also decided:

- With regard to the financial obligations of SEPAD Member Bodies, the Executive will proceed to the application of everything that was decided upon today by the General Assembly
- The Members Committee will provide the necessary input for the undertaking of Council's future activities.
- Every SEEPAD member's status will be analyzed at Council's next session.

8. About the members

Mr. Toma invites France's representative and Mr. Gert Karreman to say how they can support SEEPAD activities.

Mr. des Robert states that he represents two French Institutes – OEC and CNCC – and that the Presidents of the two Institutes will be honored to become full members of SEEPAD; a letter of intent on this matter is to be transmitted to SEEPAD as soon as possible. France can offer its support to SEEPAD for the implementation of quality control by training trainers in this field. Mr. des Robert also stated that France will collaborate with ACCA for the development of SEEPAD programs and promised to find resources for SEPAD's reform.

Mr. Toma thanked Mr. des Robert for his support and asked the Secretariat to send two official invitations for the two Presidents of the French Institutes to become full members of SEEPAD. Mr. Toma also stated that the French profession can support the organisms in the region, especially when it comes to quality control and elaboration of accounting standards for SMEs.

Mr. Karreman said he is honored to work with SEEPAD for the implementation of educational programs for members' professional development and for the training of trainers in the accounting and auditing field.

Mr. Toma promised he will give him a list of Education, Ethics and Quality Committee members to consult them directly.

After that, the membership application of Society of Certified Accountants and Auditors of Kosovo (SCAAK) and the status of the Association of Accountants, Financial Experts and Auditors of the FY Republic of Macedonia were discussed.

Mr. Miodrag Zivkovic, President of SEEPAD Members Committee stated that according to the Charter, the candidate organization must be from one of the registered countries. In its application, SCAAK didn't stated country of origin, and the candidate institute in not an independent one.

It does not respect Charter's provisions and the set criteria for the admission of members in SEEPAD. Moreover, we are talking about an organization that is not present to support its application, said Mr. Zivkovic.

Albania, through Mr. Mitri, stated that, however, those who are present represent professional organizations and that nobody is perfect. We are

present, he also stated, in order to improve the activities in our countries so as to develop the profession throughout the region.

President Toma said that not all organizations have to comply to all the conditions and become full members; they can become associate or observant members. I don't see why other professionals cannot assist our seminars, as observers or associates; the purpose stated in the Charter is the development of the accounting profession throughout the region. Therefore, I invite all my colleagues to wisdom and equilibrium and to put the profession above everything, Mr. Toma also stated.

Mr. Song underlines as well the fact that we have to be more flexible.

Vice-President Jeliaskov states that the member bodies have to be independent and as concerns SCAAK, we should invite them to the following meeting, when they have to come with more details concerning their application and statute as organization.

President Toma affirmed that the representatives of the Kosovo Institute were not present and therefore it was difficult to make a decision. The member Committee must continue its contacts with the Kosovo professional body, so that it could take part in our future seminars; as about the admission as a member, the cause should be sent again to the Council to complete the analysis.

The General Assembly unanimously approved this decision of the President.

As concerns FYR Macedonia, here as well the situation is far from being clear, as the organization represents a group of professionals which is not legally registered, Mr. Mio stated.

President Toma invites the representatives of the profession from FYR Macedonia to join SEEPAD in its activities developed in the region, until the institute is recognized as a professional body in Macedonia; “you are invited to all our future meetings”, President Toma said.

9. Miscellanea

The location of the next meeting of the General Assembly was approved, as it was emphasized in the 2002-2004 Report, to be Banjaluka, Republic of Srpska, in April 2005. For 2006, we shall have to see first how the secretariat functions in Thessaloniki and after that we shall decide if we organize it in Greece.

In the end, President Toma said as well that he was very happy for the colleagues’ confidence who agreed that SEEPAD had to move faster, namely the activities had to be started in order to have good results and thanked Mr. Song for his support, and reassured him that SEEPAD took off now, in 2004. He thanks to all those present for their participation, to the Bulgarian Institute for organizing the General Assembly and for all the conditions created to participants.