



The Institute of Certified Management Accountants

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On Target
Newsletter of the Institute of Certified Management Accountants
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President's Message 2009
The year of consolidation!

The Institute is now in its 2nd Decade (incorporated in 1996). The last year was one of some continuity after the turbulence of previous years. The main issues were:
Arresting the Membership Decline of the previous year (it declined by almost 25% in 2007-08) mainly due to increase in fees and turbulent economic conditions.
The Membership Committee chairman reported that membership actually increased by 19.1% during the year.
An important Strategy Day was held at the end of May, where the Executive and a number of overseas providers were present.

The services provided by the secretariat continued over the year, and included:

- Maintaining the new website that was in keeping with the enhanced international profile of ICMA
Publishing 6 copies of the On Target Newsletter
Providing of 12 issues of the CFO Magazine (excellent feedback)
Increasing the holdings of the Library by over 50 texts and professional and academic publications during the year.
Having a world-Class Customer Relationship Management (CRM) system to handle the membership, invoicing, examinations and accounts.
Continuing with the links to CEO Institute for Members
Obtaining special offers for Insurance, TIME magazine subscriptions for members
Co-Sponsoring a booth at the Accounting & Finance Association of Australia & New Zealand (AFAANZ) conference in Adelaide where over 500 accounting academics attended.
Undertaking extensive research on the 5-

Star Reporting Framework using Australian companies.

- Publishing 2 issues of The Journal of Applied Management Accounting Research (JAMAR). This was rated by the Excellence in Research (ERA) listing of the Australian Research Council (ARC) as a well regarded journal in the field or subfield, that it publishes research of a good standard in terms of originality, significance and rigour.

A significant milestone during the year was the 'Strategy Day' for which a number of the past and current executive, and overseas providers were present. From this meeting a 'Table of Beliefs' about the ICMA emerged as follows:

- We are a niche body with a global horizon and a global membership
Management accounting is a critical management function and CMA is an important facilitator of that function
We will continually seek to communicate the message to the community as to the relevance of management accounting and its credentials to be a partner in the strategic and decision making process
We are not only an association of accountants and therefore membership is open to suitably qualified graduates who are involved in management accounting activities.
Our Meta Membership Strategy is to move from an exclusive focus on accountants and will include graduate financial managers involved in management accounting roles
The adoption of a new membership strategy requires a redefinition of market segments

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What's On?

Table with 4 columns: Date, Location, Event Name, and Website. Rows include events in Dubai, Malaysia, Sri Lanka, and Australia.



not just the numbers

- Our professional program will be a masters level program
- We need to get a clear message to the corporate sector regarding the relevance of management accounting and the CMA
- We are an international community of management accountants
- We promote and encourage Continuous Professional Development
- We want a member for the duration of their career not just a year
- In order to create relevance we need to acquire government recognition
- We believe that for management accounting to have a sustainable future it must be involved in government recognised certification
- We understand that Management Accounting and the place of CMA needs to be relatively defined in accordance with the different requirements demanded by specific global economies
- We recognise that among our points of difference and particular competitive advantages are the skills to identify risk and recognise its cost and impact
- We recognise the opportunity provided by the process of assurance that will arise out of carbon trading and also understand that our role in this process will require linkage with other professionals

Following this strategy day, it was decided by the Executive to engage as the Chief Executive Office, the former President Leon Duval, with some clear priorities such as to (1) secure formal recognition for the institute in Australia (2) facilitate the design and implementation of the institute's *Continuing Professional Development* Program, (3) initiate programs to increase membership of the institute in Australia and overseas and (3) generally raise the public profile of the institute

We are happy to report that we managed a +19% increase in membership numbers, despite the GFC continuing. (In the previous 2007-08 year, membership declined for the first time by -25%). This is a significant turnaround, and the Executive Officer, Mr. Chris Perera needs to be congratulated on his tireless efforts, in this area.

It is always difficult picking exact numbers at this initial point in the financial year because of the uncertainty surrounding renewals. It would appear, however, that our current membership is:

- Approx: 1,300 Members (CMAs, AMAs, GMAs, RBAs, RCAs & CATs)
- Approx: 1, 000 Affiliates (MAAs)

The Institute now has members in over 40 countries, with the larger memberships in Australia (1442); Philippines (128); UAE (124); Indonesia (103); India (80); Sri Lanka (77); Canada (75); Hong Kong (71); Singapore (65); Lebanon (62) and Malaysia (45).

The Branch Activities of the Institute continued with strong programs in existing locations such as the Philippines; India; Lebanon; Sri Lanka; Indonesia (Jakarta and Bandung); Malaysia; and Dubai.

Once more I must express my deep gratitude to a hard working

executive and council. It is unfair to single out individuals but I am sure my colleagues will agree that the input of Prof Janek Ratnatunga, our Education and Membership Committee Chairman, and Roshani Perera our Treasurer, has been remarkable and well beyond the call of duty. I would also like to thank Chris Perera, our new Executive Officer, Hans Ferdinand, our Secretary, Michael Vincent, our International Director; Tony Pereira, our Membership Committee Chairman, Michael Tse, our Deputy Membership Committee Chairman, Bill Richardson our Bookshelf and Book Review Editor and Dr Themin Suwardy, our webmaster, for their dedication and professionalism brought to the tasks entrusted to them.

Finally a vote of thanks to our auditor Ben Kaplan who has once again given his time to discharge his duties very professionally.

Leon Duval
President *

*(*With the appointment of Leon Duval as CEO in October 2009, the ICMA Executive acknowledged the resignation of Leon Duval as President and appointed Derek Maullin to the position of acting President pro tem and Michael Vincent to the position of acting Vice President pro tem. These positions were confirmed at the AGM.)*

Profile and Letter from New CEO



Leon Duval is the President of the Institute of Certified Management Accountants (Australia). He is a practising Management Accountant with over 25 years experience in the area. He runs his own professional practice, Duval Partners, and has been involved in the installation of over 100 Activity Based Costing (ABC), Balanced Scorecard and Cost Management systems to a diverse range of clients.

As an educator and trainer, Leon has worked for Monash University, the Mt. Eliza Business School, CPA Australia and the Institute of Chartered Accountants (Aust) at which he was responsible for developing the Advanced Management Accounting module in its Professional Year program. He is the Dean of the Australian Institute of Finance and Management (www.aifm.com.au), and also a faculty member of the Wharton Institute of Technology and Science, both of which are accredited by the Institute of Certified Management Accountants (Australia) as recognised providers of its CMA program in Australia. In this capacity, Leon has been a much sought after presenter in Australia, Malaysia, Indonesia, India, Sri Lanka and Papua New Guinea.

On Target asked Leon to document his journey to date and his views of the profession, especially in the light of the current controversies worldwide regarding country-designations in post-nominals and trade marks.

My own background is that I qualified for my my first management accounting post nominals many years ago in South Africa, with the UK-based Institute of Cost and Works Accountants (ICWA).

I was a freshly minted 'Associate' and my post nominals were ACWA. In South Africa, we had an excellent South African Institute of Chartered Accountants (ICASA), working closely with the Institute of Chartered Accountants in England & Wales (ICAEW). Chartered Accountant from either country used the FCA post nominals, and the decision as to if the country was to be added (in brackets) was left to the individual. Chartered Accountants were the champions of the profession in a particular country, and those given the exclusive right to conduct a financial audit, which was to certify the veracity of the financial statements that reported on the past performance of an organisation and its financial position at the end of the financial year.

The roots of the management accounting profession were different. They evolved from the 'works' departments in factories during the industrial revolution, mainly to provide management with cost-oriented decision information. As such, it was found that the tools and techniques developed in the 'works' area could be applied in other organisational areas, and thus the ICWA metamorphosised into the Institute of Cost and Management Accountants (ICMA), and thus my post nominals as an Associate changed to ACMA, and later, as a Fellow, to FCMA.

The North American accounting profession evolved differently to that of the United Kingdom. In the USA, rather than having Associates and Fellows, they conducted 'Certification' exams. Thus their Chartered Accountant equivalents became Certified Public Accountants (CPA). In Canada however, as a member of the Commonwealth, the 'Chartered Accountant' name prevailed. The management accountants in both countries, however, took the 'Certified' tag. Thus both the Institute of Management Accountants (IMA) in the USA, and the Society of Management Accountants (SMA) in Canada, conducted exams leading to the Certified Management Accountant (CMA) post nominals. There was no 'passing-off' as one had to be resident in their respective countries (i.e. USA and Canada) to use the CMA designation.

I migrated to Australia (due to the repressive apartheid regime in South Africa), and found that the Chartered Accountants were once again the dominant accounting professionals in the country and duly qualified as one. The post-nominals used in Australia initially was FCA, since truncated to CA. There was another body, the CPAs, permitted to undertake audits of non-listed companies.

In 1994, I went for a CIMA Melbourne Centre AGM, and met Professor Janek Ratnatunga who asked me to enrol in a new Masters degree he had introduced at Monash University, targeted

specifically for qualified accounting professionals. He claimed (innocently) that it was easy, and that I should have my studies completed within two years. The course was by no means easy, but it did change my life, and make me addicted to life-long learning. Today, I am attempting to complete a PhD.

At that time there was no specialised management accounting body in Australia, and thus Professor Ratnatung and I were instrumental in forming the Institute of Certified Management Accountants (ICMA) in Australia. Many CIMA members (mainly British, South African and Sri Lankan expatriates and immigrants) joined this new body. The post-nominals 'CMA', were used, as they could not be confused with those of any other professionals practising in Australia, including the CIMA members, who were by then using the ACMA and FCMA designations, with the "C" denoting "Chartered", as CIMA had obtained a Royal Charter by then. I was therefore a FCA, FCMA and a CMA.

Today I take up my role as the first CEO of the Chief Executive Officer Institute of Certified Management Accountants, with much enthusiasm and hope to take the Institute to its next level of development. If you consider what is required of the CEO (see President's Report) one will see that this is a comprehensive undertaking, but I would like to put the program to the council as the deliverables required to assess the effectiveness of a CEO in the first year of engagement.

Leon Duval, MBus (Acc) (Monash), FCA (Aust), CMA (Aust)
Chief Executive Officer
Institute of Certified Management Accountants

ICMA Executive Committee

President	Mr. Derek Maullin FCMA, CMA
CEO	Mr. Leon Duval MBus(Acc), ACA, CMA
Vice President	Mr. Michael Vincent MA, CMA
Executive Director	Mr. Chris Perera BCom (Hons)
International Programs Associate Professor	Erwin Waldmann BA, MAcc, PhD, CMA
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