

THE  
INSTITUTE OF  
CHARTERED  
ACCOUNTANTS  
OF SCOTLAND



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CAMERA AUDITORILOR FINANCIARI  
DIN  
ROMANIA

## MEMORANDUM OF UNDERSTANDING

Between

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND**

And

**THE CHAMBER OF FINANCIAL AUDITORS OF ROMANIA**  
**No. 67-69 Sirenelor Street, Bucharest, 5 District ("CAFR")**

The Institute of Chartered Accountants of Scotland of Edinburgh, UK (hereinafter referred to as "ICAS") and The Chamber of Financial Auditors of Romania, (hereinafter referred to as "CAFR"), hereinafter referred to as the "Parties" have entered this Memorandum of Understanding (hereinafter referred to as "MOU")

### **Article I** **Objectives of the Memorandum**

This MOU sets out the framework for the future cooperation between ICAS and CAFR

### **Article II** **Background**

ICAS was granted a Royal Charter in 1854, and has approximately 17,000 members and 4,000 students. Under the Royal Charter, ICAS works in the public interest. The objective of ICAS is to enhance the global standing of the CA by :

- Upholding standards in the public interest
- Excellence in education and professional development
- Leadership through ideas and influence
- Delivering dynamic and proactive service.

ICAS operates through its core values of integrity, wisdom, innovation and service. ICAS has a vision for its members that "the CA demonstrates the highest standards in business and society".

CAFR has been established by the Government Emergency Ordinance No. 75/1 June 1999 on the financial audit activity with the subsequent changes and additions and has

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approximately 2800 members financial auditors, 875 members audit firms and 2550 trainees.

CAFR is the professional body that organizes coordinates and authorises the financial audit activity in Romania.

For accomplishing its mission, CAFR has established as primary objective the continuous development of the Romanian financial profession, in view of providing high quality financial audit services, in the interest of the public, in general and especially in the interest of the business community, by:

- Representing the financial auditor profession at national and international level and promoting financial auditors' professional interests;
- Actively and continuously promoting the best practices of the profession by improving the services of auditing the financial statements.
- Following the means of ensuring auditors' independence;
- Strengthening the quality of audit activity.

### **Article III**

#### **Implementation of the Memorandum and Responsibilities of the Parties**

The Parties, taking into account their mandates as well as mutual intentions and common interests to facilitate accounting, auditing and education development, have agreed to cooperate in a number of areas including audit monitoring and other consultancy services.

In order to achieve the aforementioned objectives, the Parties have agreed to consider the following activities:

- Purchase of the audit manual from ICAS
- Development of audit monitoring procedures by CAFR, with the support of ICAS.
- Consultancy support by ICAS to assist CAFR develop a business plan.
- Consultancy and support by ICAS to improve professional education and quality control mechanisms.
- Any other projects that may be identified.

These activities may be further documented into separate contracts as the Parties may determine.



#### **Article IV Permissions**

Each Party acknowledges that they are familiar with the ideals and objectives of the other Party and recognise that the names and emblems of the Parties may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with their status, reputation and neutrality. To this end, the Parties shall consult with each other concerning the manner and form such recognition and acknowledgement.

#### **Article V Duration, Termination, Modification**

The proposed cooperation under this MOU is non-exclusive and shall have duration commencing that day the MOU is signed by the Parties. The MOU will be reviewed annually and may be terminated by agreement, or by 6 months notice of either Party. The Parties can make changes or additions to this MOU through a mutual consent procedure which can be created as a separate agreement forming an integral part of this MOU.

#### **Article VI Force Majeure**

In the event of and as soon as possible after the occurrence of any cause constituting Force Majeure, the Party affected shall give the other Party notice and full particulars in writing of such an occurrence if the affected Party is thereby rendered unable, in whole or in part, to perform its obligations or meet its responsibilities under the present MOU.

#### **Article VII Financing of the Activities**

In delivering their respective responsibilities under this MOU, the Parties agree to apply their own administrative and financial procedures. Financing of individual projects will be carried out on an agreed, and case by case basis. This provision is without prejudice to any other financial arrangements that may be stated in any contract that may be agreed between the Parties.

#### **Article VIII Consultations**

Each party shall accept to enter promptly into consultations at the request of the other Party with respect to any matter arising in relation to this MOU. Any disputes which



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may arise under the present MOU shall be settled by mutual negotiations. Where agreement cannot be reached, either Party may invoke its rights to termination.

**IN WITNESS WHEREOF**, the undersigned, being duly authorised thereto, have on behalf of the Parties hereto signed the present MOU at the place and on the day below written

**For THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF  
SCOTLAND**

Signature \_\_\_\_\_

Name: ANTON COLELLA

Title: Chief Executive

Place: Cluj-Napoca, Romania

Date: 26 of June 2009

**For THE CHAMBER OF FINANCIAL  
AUDITORS OF ROMANIA**

Signature \_\_\_\_\_

Name: Prof.univ.PhD ION MIHĂILESCU

Title: President

Place: Cluj-Napoca, Romania

Date: 26 of June 2009