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**Key foundations for high-quality reporting: Good practices
of monitoring and enforcement, and compliance**

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THE UNIVERSITY OF
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Country Case Study on Compliance Monitoring and Enforcement of Accounting and Reporting Standards and Codes: Australia

by Ann Tarca



ACHIEVE INTERNATIONAL EXCELLENCE



Introduction

- I Country overview
- II Monitoring compliance with the financial reporting framework
- III Monitoring compliance with the auditing and assurance framework
- IV Monitoring compliance with codes of professional conduct and other applicable professional membership requirements
- V Conclusion



I Country overview

- ↘ Population 23 million; GDP A\$1,525 billion (2012)
- ↘ Major exports
 - Iron ore, coal, gas, gold, petroleum, aluminium
 - Wheat, beef, education
- ↘ Common law legal system
- ↘ Commonwealth and State Parliaments
- ↘ World Bank rankings
 - top 10 for rule of law and control of corruption
 - top 20 for regulatory quality
- ↘ Equity market: 8th largest in world, 2nd in Asia Pacific
- ↘ Australian dollar 5th most traded currency



II Monitoring compliance with the financial reporting framework

- ↘ Australian Securities and Investment Commission (ASIC)
 - Compliance with accounting standards
 - Enforcement activity
 - Review of financial reports
- ↘ Australian Prudential Regulation Authority (APRA)
 - Regulator of financial institutions
- ↘ Australian Securities Exchange (ASX)
 - Continuous disclosure requirements
 - Corporate governance code



III Monitoring compliance with the auditing and assurance framework

- Australian Securities and Investment Commission (ASIC)
 - Auditor registration
 - Audit quality
 - Audit firm inspections
 - Education
- Financial Reporting Council (FRC)
- International collaborations
 - IAASB, IFIAR



IV Monitoring compliance with codes of professional conduct and other applicable professional membership requirements

↘ Professional accounting bodies

- CPA Australia//Chartered Accountants Australia and New Zealand//Institute of Professional Accountants
 - Membership
 - Education
 - Quality review programs
- International - IFAC
- Co-regulation - ASIC



V Conclusion

- ↘ Multiple entities – collaboration
 - Public/private sector
 - Feedback loops
 - International best practice
- ↘ Continuous improvement
- ↘ Incentives and penalties
- ↘ Cost and benefits
- ↘ International and cross border involvement