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Country Level ADT Implementation in The Netherlands 2013

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Country Level ADT Implementation in The Netherlands 2013

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Content

• Customized development solutions
• ADT process in The Netherlands (2012/2013)
• PAO in The Netherlands
• CAPA Maturity Model
• Lessons learned
• ADT road map for PAO capacity building
Customized development solutions

ADT: global perspective but unique national circumstances:

• History
• Institutional structure
• Market and business models
• Cultural, political, social and economic traditions
• Local laws and standards
• Tax regulations
ADT process in The Netherlands

• Schedule of activities
  – Kick-off meeting May 2013
  – Stakeholders’ meeting June 2013
  – Final draft July 2013
  – Peer review August 2013
  – Adjusted final version September 2013

• Different approach of ADT due process
  – ADT embedded in standard PAO due process
  – Deviation in stakeholders’ involvement
  – Differences between 2012 and 2013 application
PAO in The Netherlands (1)

NBA Vision, Mission & Legal Responsibilities

• Professionalism and public interest
• Member service

for the following aspects in general

• Accounting
• Auditing
• Governance

Member Groups

• Public accountants and auditors
• Internal and Government accountants and auditors
• Accountants in business

Two Qualifications since the merge (2013)

• RA
• AA
PAO in The Netherlands (2)

**NBA governance structure**
- Board
- Management team
- Member groups
- Governance processes
- Permanent and temporary working groups

**Relationships covering bodies representing:**
- Government, parliament & politicians
- Firms and interest groups (SMPs)
- Investors, & users
- Standard setters and regulators
- Employers & employees
- Governance, CSR, ESG and IR
- Universities and highschools
- International: IFAC, IASB, EU, IIRC and more
PAO in The Netherlands (3)

Coordination & Governance of member groups (MGs)

NBA Board
• Responsible for strategy and yearly policies
• Considers different interests of MGs
• Determines the responsibilities for NBA Management
• Formally assigns NBA Mgt with tasks and responsibilities
• Right to intervene if necessary in NBA Mgt daily business (by exception)

MG Board
• Proposes MG policy priorities, action plan and budget to NBA Board
• MG Board and NBA Board transparently converge approved actions & monitoring
• Is formally customer of NBA Mgt
• No right to intervene directly in NBA Mght daily business (only through NBA Board)
• Collaborates cooperatively with NBA Mgt aligning approved action plan and budget

NBA Management
• Primacy of policy execution of the NBA, governing NBA Bureau (Staff)
• Role: initiating, signaling, policy-preparing, including yearly (draft) action plans
• Reconciles policy priorities with NBA Board and all MG Boards in planning process
• Accountable to NBA Board and MG Board-members in NBA Board
• Is formally supplier to NBA Board and all MG Boards
PAO in The Netherlands (4)

Permanent and temporary working groups (1)

– Advisory Council auditing regulations
  • Sub Commission Assurance
  • Sub Commission Non-Assurance (SMP)
  • Sub Commission Ethics

– Steering Group Corporate Reporting
  • Working Group Financial information
  • Working Group Non-financial information (incl. ESG, CSR)
  • Working Group Integrated Reporting

– Sector and Branche Commissions
  • Large firms
  • SMPs
  • Banks and Investors
  • Insurance and Pension funds
  • Health
PAO in The Netherlands (5)

Permanent and temporary working groups (2)

– Commission Monitoring & Oversight
  • Education & CPD
  • Work Experience
  • Quality Assurance
  • Complaints

– Commission Public Sector

– Commission Corporate Governance & Risk Management

– Signaling Council

– Advisory Council

– Other Commissions
  • Valuators
  • Tax
  • Controllers
  • Young Professionals
CAPA Maturity Model (PAODC involvement)

• **Relevance**
  – Public interest
  – Membership
  – Membership scope
  – Member involvement
  – Standards

• **Sustainability**
  – Business model
  – Funding
  – Legal recognition
  – Market recognition
  – Governance
  – Infrastructure
  – Management

• **Professionalism**
  – Education and Certification
  – Quality Assurance
  – Ethics
  – Compliance
  – Investigation & Discipline

• **Member value**
  – Advocacy and influence
  – National relationships
  – International relationships
  – Member service
  – CPD
Lessons Learned

PAO ‘sustainable’ Capacity Building

- **Step by step approach**
  - accept learning process; maturity level, stage of development
  - customized solutions, no one size fits all
  - Coordinate ADT-pillar priorities (ADT-symmetry)

- **Collaborate nationally/cross border**
  - language / size
  - Enlarge membership scope
  - joint effort for combining competence and authority

- **Coordination of activities (inter)nationally**
  - liaison stakeholders (government, regulator, university, firm)
  - PAO member groups, working groups, task forces
  - design proper PAO business- and governance model
ADT Road Map for PAO capacity building

Capacity Building Categories towards “Center of Excellence” with ADT

– Technical support (ADT-pillar 1)
   (rules, regulations, certification, tools, guidance, practices)

– Managerial support (ADT-pillar 2)
   (business model, governance, membership, dialogue, positioning)

– Intellectual support (ADT-pillar 3)
   (education, ethics, values, mindset, principles, attitude, concepts, judgments)
Thank you for your attention.

Q&A?