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

Presented by

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Independent audit oversight

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Background to the study for the Hong Kong FRC
Jurisdictions reviewed and focus areas

- EU
- UK
- Can
- USA
- Sing
- Aus

- Inspection
- Registration
- Continuing professional education
- Enforcement
- Funding
- Standard setting

UK
EU
Can
USA
Sing
Aus
### Oversight and delegation

What’s allowed and how major jurisdictions implement this

<table>
<thead>
<tr>
<th>Oversight Body Function:</th>
<th>EU requirements</th>
<th>IFIAR</th>
<th>UK (FRC)</th>
<th>US (PCAOB)</th>
<th>Canada (CPAB)</th>
<th>Australia (ASIC)</th>
<th>Singapore (ACRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td>Delegation allowed (with oversight)</td>
<td>Delegation allowed (with oversight)</td>
<td>Delegated with oversight</td>
<td>Oversight body</td>
<td>Oversight body</td>
<td>Oversight body</td>
<td>Oversight body</td>
</tr>
<tr>
<td><strong>Inspection</strong></td>
<td>Delegation allowed (oversight body retains right to inspect)</td>
<td>PIEs can’t be delegated; non-PIEs can</td>
<td>PIEs – oversight body; non-PIEs – delegated with oversight</td>
<td>Oversight body</td>
<td>Reporting issuers - oversight body; non-publicly listed – delegated with oversight</td>
<td>Oversight body</td>
<td>PIEs – oversight body; non-PIEs – oversight body with ICPAS</td>
</tr>
<tr>
<td><strong>Investigation</strong></td>
<td>Delegation allowed (oversight body retains right to investigate)</td>
<td>PIEs can’t be delegated; non-PIEs can</td>
<td>PIEs – oversight body; non-PIEs - delegated with oversight</td>
<td>Oversight body plus SEC</td>
<td>Oversight body</td>
<td>Oversight body</td>
<td>Oversight body</td>
</tr>
<tr>
<td><strong>Enforcement</strong></td>
<td>Delegation allowed (oversight body retains right to take action)</td>
<td>PIEs can’t be delegated; non-PIEs can</td>
<td>PIEs – oversight body; non-PIEs - delegated with oversight</td>
<td>Oversight body plus SEC</td>
<td>Oversight body</td>
<td>Oversight body and independent board</td>
<td>Oversight body</td>
</tr>
<tr>
<td><strong>Standard setting</strong></td>
<td>Delegation allowed (with oversight)</td>
<td>N/A</td>
<td>Oversight body</td>
<td>Auditing and assurance – oversight body/AICPA; ethics – oversight body/AICPA</td>
<td>Delegated with oversight</td>
<td>Standards set by Government / independent board</td>
<td>Accounting - independent body; audit – delegated with oversight; ethics - oversight body</td>
</tr>
<tr>
<td><strong>CPE</strong></td>
<td>Delegation allowed (with oversight)</td>
<td>N/A</td>
<td>Delegated with oversight</td>
<td>Oversight body plus state boards of accountancy</td>
<td>Oversight body</td>
<td>Professional bodies</td>
<td>Oversight body</td>
</tr>
</tbody>
</table>