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Country Level ADT Implementation in The Netherlands 2013

Presented by

Paul Hurks
The Netherlands Institute of Chartered Accountants

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Country Level ADT Implementation in The Netherlands 2013

Paul F.M. Hurks

Director NBA International Accountancy

Nederlandse
Beroepsorganisatie
van Accountants

NBA



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 Mgt 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*
- *Reconciliates 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*

- **Professionalism**

- *Education and Certification*
- *Quality Assurance*
- *Ethics*
- *Compliance*
- *Investigation & Discipline*

- **Sustainability**

- *Business model*
- *Funding*
- *Legal recognition*
- *Market recognition*
- *Governance*
- *Infrastructure*
- *Management*

- **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

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Q&A?



NBA