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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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- *ADT process in The Netherlands (2012/2013)*
- *PAO in The Netherlands*
- *CAPA Maturity Model*
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# 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