

---

**Intergovernmental Working Group of Experts on  
International  
Standards of Accounting and Reporting  
(ISAR)**

**32nd SESSION**

4 - 6 November 2015

Room XVIII, Palais des Nations, Geneva

Friday, 6 November 2015

Morning Session

**Guidance on good practices in the area of compliance  
monitoring and enforcement**

Presented by

Gerard Ee

President

Institute of Chartered Accountants

*This material has been reproduced in the language and form as it was provided.  
The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.*

---



# **Guidance on Good Practices in the Area of Compliance, Monitoring and Enforcement**

UNCTAD, International Standards of Accounting and Reporting -  
32<sup>nd</sup> Session

# Contents

- **Monitoring of Compliance & Enforcement (MC&E) Stakeholders In Singapore**
- **How Singapore Achieves an Efficient & Effective MC&E System**
  - Initiatives & Good Practices
    - ❖ **SGX**
    - ❖ **ACRA**
    - ❖ **ISCA**
- **Challenges**

# MC&E Stakeholders in Singapore



## Other Stakeholders who complement MC&E in Singapore



# Regulators – Initiatives & Good Practices



**3 independent Listings Committees set up to strengthen listing policy-making and review process, and enhance how Listing Rules are enforced:**

- ✓ **Listings Advisory Committee (LAC)**
- ✓ **Listings Disciplinary Committee (LDC)**
- ✓ **Listings Appeals Committee (LApC)**

# Regulators – Initiatives & Good Practices



- **Financial Reporting Surveillance Programme**
- **Practice Monitoring Program**
- **Enhanced Licensing Requirements to be a PA**

# ACRA's Financial Reporting Surveillance Program

Public-private collaboration to strengthen quality of financial reporting by companies

- ACRA & ISCA combining resources and sharing expertise to increase breadth /depth of financial reporting surveillance regime in Singapore
- ISCA will share its observations on potential non-compliances in financial statements with ACRA, which will deliberate and take enforcement action against directors under Companies Act, if necessary

Enforces Section 201 of Companies Act

- Directors' duties to prepare financial statements in accordance with prescribed Accounting Standards in Singapore

# ACRA's Financial Reporting Surveillance Program

## SELECT

### Risk-based approach:

#### Public Listed Co. with:

- 1) Significant Public Interest
- 2) Modified audit reports
- 3) Significant Accounting Judgment
- 4) Listing/trading status or key stakeholders change

#### Non Public Listed Co. with:

- 1) Modified audit reports
- 2) Significant Accounting Judgment

## REVIEW

ISCA identifies material & substantive points

ISCA gathers relevant information and discusses with ACRA to conclude/recommend

ACRA draft Enquiry Letters

## ENQUIRE

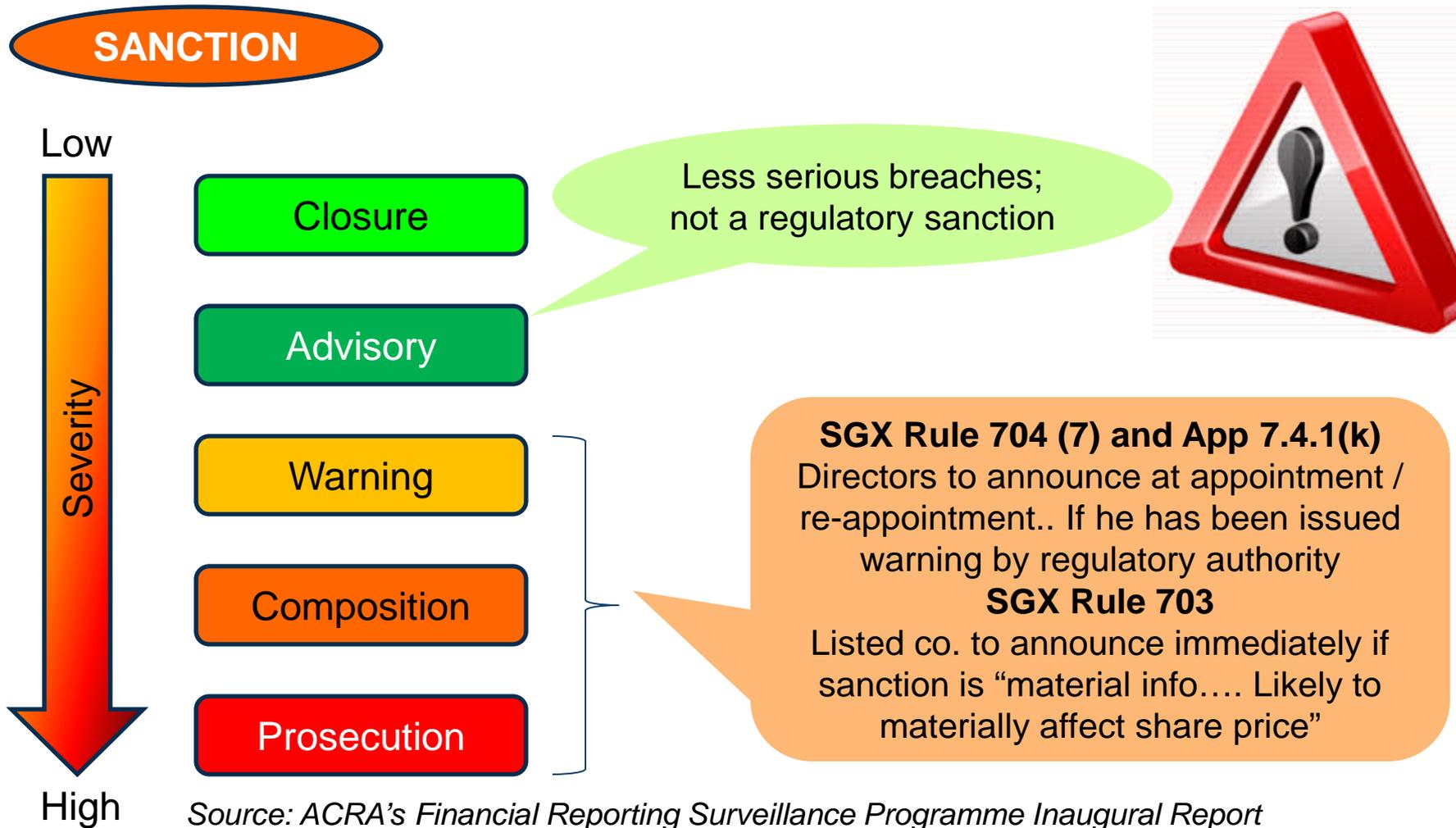
ACRA sends Enquiry Letters to Directors

ACRA & ISCA evaluates Directors' responses

ISCA provides expert views & ACRA decides on Regulatory Outcome

Source: ACRA's Financial Reporting Surveillance Programme Inaugural Report

# ACRA's Financial Reporting Surveillance Program



# ISCA - Initiatives, Mechanism & Good Practices

## Mandatory

- Practice Monitoring Program
- Continuing Professional Education Audit

## Voluntary

- Quality Assurance Review (QAR)
  - File Review (Engagement)
  - SSQC1 Review (Firm Practice)

## Disciplinary

- Investigation & Disciplinary Committee (I&DC)

# Challenges

- Unpopularity of FRSP among Directors
- Attitude toward Continuing Professional Development (CPD)

# Thank You



[fb.com/ISCA.Official](https://www.facebook.com/ISCA.Official)



<http://www.linkedin.com/company/institute-of-singapore-chartered-accountants-isca->



[@ISCA\\_Official](https://twitter.com/ISCA_Official)