



MEDIA RELEASE

ASEAN AUDIT REGULATORS TO WORK WITH WORLD BANK TO STRENGTHEN AUDIT OVERSIGHT IN THE REGION

Singapore, 26 August 2016 – ASEAN audit regulators are in discussions with the World Bank on collaborative efforts to further raising the standard of audit quality in ASEAN. This was a key agenda item at the 6th Annual Meeting of the ASEAN Audit Regulators Group (AARG) which was held in Singapore on 26 Aug 2016.

2 Hosted by ACRA, the meeting was attended by over 100 participants. This included regulators from eight ASEAN countries, Hong Kong and China, as well as the regional and global leadership of the Global Public Policy Committee (GPPC) audit firms¹. The AARG members comprise Singapore’s ACRA, Malaysia’s Audit Oversight Board (AOB), Indonesia’s Finance Professions Supervisory Center (PPPK) and Thailand’s Securities and Exchange Commission (SEC).

3 Areas of collaboration between the AARG and the World Bank include capacity building workshops, and technical assistance catering to the differing capacity levels of ASEAN members. These initiatives would complement AARG’s on-going efforts to raise the standard of audit quality in ASEAN and achieve greater alignment in audit regulatory practices among members. The World Bank is seeking support from donors and other stakeholders for this planned collaboration.

4 Commenting on the proposed AARG-World Bank collaboration, Mr Kenneth Yap, Chief Executive, ACRA said “This initiative bodes well for boosting the confidence in the ASEAN capital markets. The World Bank’s support is timely as the AARG seeks to speak with a unified voice to promote a high quality audit regime applied consistently across ASEAN.”

5 Mr Jarett Decker, Head of World Bank’s Centre for Financial Reporting Reform, said “the AARG has done exemplary work to promote regional knowledge sharing in the challenging area of audit regulation. We seek to support its efforts to raise audit quality and strengthen financial reporting throughout the ASEAN region.”

¹ The Global Public Policy Committee (GPPC) audit firms comprise the six largest international audit firm networks (BDO, Deloitte, Ernst & Young, Grant Thornton, KPMG, and PricewaterhouseCoopers).

6 Since its formation in 2011, AARG's efforts to enhance audit quality in the region include engaging audit firms on joint initiatives to address common inspection findings and to promote the value of audits. At the 6th AARG meeting, there was a healthy dialogue on how regulators and audit firms can forge an even more productive relationship in light of key upcoming trends and developments in the global audit landscape. This includes the use of data analytics to improve audit effectiveness, the use of audit quality indicators (AQIs) by audit committees to select auditors and the delivery of insightful reporting by auditors when the enhanced auditor reporting standards take effect in 2017.

7. Mr Eugene Wong, a member of the AOB said "The new auditor reporting standards are instrumental in strengthening the quality of information provided in the auditor's report. The new auditor's report will increase transparency and enhance the utility of the audit report, thereby enriching the value of audits and their relevance. Auditors play a meaningful role in the process of resource allocation and the AARG's work with its constituents in rolling out this initiative in ASEAN will help drive the flow of useful and relevant information to the ASEAN capital markets."

8 Mr Asih Ariyanto, Head of Accountancy Professions Inspection Division, PPPK (Indonesia) said "The AARG will continue to monitor the emerging developments in audit and come together to communicate its expectations in common areas of interest." Highlighting the efforts to enhance audit quality in Indonesia, Mr Asih added "The PPPK is currently working on establishing AQIs framework in consultation with all related stakeholders in Indonesia. We expect this initiative to play an important role in driving audit quality for all public accounting firms in Indonesia".

9 Mr Thawatchai Kiatkwankul, Director of the Accounting Supervision Department, SEC (Thailand) said "The AARG meeting gives us the opportunity to discuss current audit matters with the global and regional leadership of the GPPC audit firms and increase our understanding and co-operation with each other. With the greater complexity in today's financial reporting environment, the AARG must continue to be progressive and work closely with the profession to raise audit quality standards and provide reliable financial reporting in ASEAN."

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About the AARG

The AARG comprises Singapore's Accounting and Corporate Regulatory Authority (ACRA), Malaysia's Audit Oversight Board (AOB), Indonesia's Finance Professions Supervisory Center (PPPK) and Thailand's Securities and Exchange Commission (SEC). Its formation is aimed at fostering closer collaboration amongst audit regulators to promote audit quality in the ASEAN region.

About ACRA (Singapore)

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities, public accountants and corporate service providers in Singapore. ACRA also facilitates the development of business entities and the public accountancy profession. As a regulator and facilitator, ACRA constantly strives to provide a responsive and trusted regulatory environment for businesses, public accountants and corporate service providers and make Singapore the best and trusted place for doing business. ACRA's role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit. ACRA's goal is to make good corporate governance, quality corporate financial reporting and high quality audit the hallmarks of our financial and corporate sectors.

For more information, please visit: www.acra.gov.sg.

About AOB (Malaysia)

The Audit Oversight Board (AOB) was set up by the Securities Commission Malaysia in 2010, to oversee the auditors of public interest entities (PIEs) and schedule funds, protect investors' interest and promote confidence in the quality and reliability of audited financial statements of PIEs and schedule funds. For more information, please visit www.sc.com.my

About PPPK (Indonesia)

Pusat Pembinaan Profesi Keuangan (Finance Professions Supervisory Center or PPPK), is a special mission unit administratively under the Secretariat General of the Ministry of Finance of The Republik of Indonesia. According to Law No. 5/2011 concerning Public Accountants, PPPK is the regulator of the accountancy profession whose primary authorities includes, among others, issuing Public Accountant (PA) practice and PA Firm (PAF) licenses, conducting regular and investigative inspection, and imposing sanction. PPPK holds the authority of inspecting all PAs and PAFs, including both administrative and technical matters. For more information, please visit: www.pppk.kemenkeu.go.id

About SEC (Thailand)

The Securities and Exchange Commission of Thailand (SEC Thailand) is an independent public agency with the duty to supervise and develop the Thai capital market to ensure efficiency, fairness, transparency and integrity. As the SEC has direct responsibility over a supervision of the auditors of securities issuers and entities under the SEC supervision (i.e., listed companies, brokers, dealers, asset management companies and collective investment scheme), the SEC has regulated individual auditors and monitored individual auditors' work since 1993. For more information, please visit www.sec.or.th