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MEDIA RELEASE

Global Audit Firms and Audit Regulators Discuss Ingredients for ASEAN Success

Singapore, 10 May 2013 – The need to retain and develop talent in the audit profession and to raise the appreciation of high quality financial reporting amongst ASEAN companies, were two key issues discussed at the first joint meeting between three ASEAN audit regulators and leaders from global and regional audit firms. The landmark meeting, held on 8 May 2013 in Singapore, was organised by the ASEAN Audit Regulators Group (AARG) comprising Singapore’s Accounting and Corporate Regulatory Authority (ACRA), Malaysia’s Auditor Oversight Board (AOB), and Thailand’s Securities and Exchange Commission (SEC). The global leaders were members of the Regulatory Working Group of the Global Public Policy Committee (the GPPC), comprising the six largest international audit firm networks¹, together with the audit firms’ leaders from Malaysia, Singapore and Thailand.

2 The international participants were presented with the results of a series of comprehensive surveys² of audit staff conducted by the Association of Chartered Certified Accountants (ACCA) with the AARG members in Singapore, Malaysia and Thailand between 2012 and 2013 on what attracted staff to a career in audit and what would make them stay in or leave an audit firm. The findings showed that the three jurisdictions share common challenges as they strive to uphold trust in financial information in these ASEAN economies, in particular that:

- Audit is a highly attractive career because of its excellent training and unique exposure to different industries.

¹ The Global Public Policy Committee (GPPC) comprises representatives of the six largest international audit firm networks (BDO, Deloitte, Ernst & Young, Grant Thornton, KPMG, and PricewaterhouseCoopers). The GPPC meets to discuss capital markets issues of relevance to investors and the accounting profession with the objective of enhancing confidence in financial reporting and auditing. The GPPC’s Regulatory Working Group (RWG) brings together senior partners from the six global accounting networks to address regulatory and public policy issues of common interest that are relevant to the accounting and auditing profession.

² The surveys were conducted jointly by the Association of Chartered Certified Accountants (ACCA) and ACRA (published in August 2012), Malaysia’s AOB (published in January 2013) and Thailand’s SEC (to be published in May 2013).

- Despite its attractiveness, several factors strongly affected employee satisfaction, including the high workload compared to the rewards.
- In all three jurisdictions, many believed that their high workload was connected to the need for clients to improve the quality of management accounts and to pay fees reflecting the true value of an audit.

3 At the meeting it was agreed that addressing these challenges is a necessary endeavour to meet new expectations from investors as they seek more information in a complex business environment.

4 This followed remarks made by Minister of State for Finance and Transport Mrs Josephine Teo, that high quality financial reporting is key to the trust required to attract the investments needed for development across the ASEAN region. MOS Teo was speaking at a public symposium organised by the GPPC with the International Federation of Accountants (IFAC) on 7 May 2013 on the importance of strong corporate governance and financial reporting to integration of the ASEAN capital markets.

5 Separately, the AARG also met with the regional leaders of the Big-Four Audit Firms to discuss how to address common issues identified through the regulators' respective audit inspection findings and the audit firms' own internal quality procedures.

6 Mr Kenneth Yap, Chief Executive, ACRA said "The surveys amongst auditors in Singapore, Malaysia and Thailand show that audit firms throughout the region face similar challenges in attracting and retaining top talent. A concerted effort is needed, both within audit firms and across the financial reporting chain, to address these issues and maintain the high standard of audit that is vital to the continued progress of ASEAN's economic story. As part of our continuing efforts to raise the standard of financial reporting, ACRA will be engaging the preparers of financial statements with a follow up survey on the challenges they face in raising the quality of their work, and how best to address these challenges."

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the national regulator of business entities and public accountants in Singapore. ACRA also plays the role of a facilitator for the development of business entities and the public accountancy profession.

The mission of ACRA is to provide a responsive and trusted regulatory environment for businesses and public accountants. As at 30 April 2013, 414,915 business entities and 982 public accountants practising in public accounting firms, accounting limited liability partnerships and accounting corporations are registered with ACRA.

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