

REPUBLIC OF THE PHILIPPINES  
PROFESSIONAL REGULATION COMMISSION



# BOARD OF ACCOUNTANCY



I am the Chairman of the Professional Regulatory Board of Accountancy (BoA) of the Philippines. The BoA is the government office of the accountancy profession in the Philippines tasked to regulate the profession, that includes the accounting and auditing standard setting. For the standard setting mandate, the BoA has a process that involves volunteers from the various stakeholder groups (government and private sector), constituted as councils, in the review and formulation of standards for the approval of the BoA. There are some elements of this interaction between the BoA and the councils that are akin to the IFAC standard setting system.

The comments to the Consultation Paper of the Monitoring Committee (MC) that follow are my personal views and are not necessarily that of the Board that I lead,

1. The government regulator is the one ultimately accountable for the discharge of its mandate and the outcome of such. Having that responsibility, it is incumbent on the regulator to ensure that the regulatory framework where it operates is adequate to meet the interest of the publics that it serves. For this reason, I support this initiative of the MC to further improve the standard setting system.
2. The government regulator does not operate in a vacuum and oftentimes engages with its stakeholders. This engagement may consist of the stakeholders contributing its time, effort and resources without any compensation from the regulator. In concept, the regulator should be the one that must bear the cost for this engagement to avoid such issues as conflict of interest, independence, etc. But the practical reality of the situation is that the regulator typically has resource constraints and limitations. As such, I see the practical wisdom of the present situation where IFAC/IAASB (and its members) all contribute to the standard setting process. I also note that for all the years this system has been in place, there have been favorable outcomes that have been attained.
3. I will revise the adage "if it ain't broke, don't fix it" and state "if it ain't broke, improve on it." Given the two truisms above, it is possible to "tweak" the system to arrive at win-win outcomes.
4. More transparency in the standard setting process may be pursued, including making available the detailed minutes of deliberations of the IAASB and CAG to the stakeholders. Deliberations always have opposing or different views. These differences should be documented and included in the records of the deliberations. The MC or regulators will greatly benefit from access to these records.
5. The MC or regulators in the various countries should be more pro-active in the oversight of the implementation of standards. The regulators can effect changes to standards soon after gaining feedback on the implantation issues encountered. Such tools as surveys, polls, etc. can provide a feedback mechanism.
6. The lessons or best practices from this Consultation exercise can be applied in the standard setting process. I observe that there has been a global wide and diverse interest and participation in the consultation. This can be replicated and integrated in the standard setting process of the IAASB.

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I commend the MC, IFAC/IAASB, and the many active participants in the consultation and I anticipate the favorable outcome that will result in this process.

**SUBMITTED:**

  
**JOEL L. TAN-TORRES**  
Chairman