**Monitoring Group Roundtable**
**Strengthening the Governance and Oversight of Audit-Related Standard Setting in the Public Interest**

Dear Mark, Emma, Dennis

Thank you for inviting me to attend the Monitoring Group's Round Table Session concerning Strengthening the Governance and Oversight of Audit Related Standard Setting in the Public Interest in Singapore on Tuesday January 30th.

I would like to clarify, that the work I do is with teams in the area of Innovation, Mindset, Culture, and Transformation in the Financial Sector. It does not involve itself directly with Auditing or Regulatory Activity.  I am, very much and "Outlier", in comparison to the majority of attendees for this session.  In addition, I have only started working for Lightbulb Capital in mid-January, so to views I am sharing are my own, and not necessarily the views of the organisation.

I have spent a considerable amount of time going through my notes, and reviewing the comments from the various stakeholders at the Round Table. I have concluded that the best way I can assist your purpose,  is to provide comment on thoughts I picked up on while attending the Round Table Event. I greatly appreciate the  opportunity to share these with you.

As mentioned earlier, I come from a different industry, I presently work with financial teams on innovation, mindset and cultural transformation.  Altogether my observations may seem unqualified... however I have worked in a number of industry sectors over the past 24 years.

My first observation to share with you, is that a number of the key stakeholders were not aligned with a strong common purpose.

I believe there is an tremendous opportunity to align the various stake holders.

The Round Table Session was run exceptionally well.  Purposes were defined, and opinions were shared. Having said that they lacked a commonality that would bring considerations together.

I noted that people presented their points of views and concerns.... but there was little explanation showing understanding of the other stakeholders points of view nor the need to find a common ground on which to build progress on the issues.

For example, it seemed to me the definition of Public Interest meant various things to different presenters. I felt that it may be easier to progress on issues if everyone worked off the same definition .

My point will be that if a common overall purpose and definition is agreed upon firstly, then there could be greater collaboration and possibly quicker and more efficient decisions being made.

A second observation, and point I would like make, concerns the discussions around funding.

In my experience most conversations on major projects that start with funding and sources of funding  automatically restrict the direction and options people are willing to pursue.

This approach will not get you the best answer for your issue.

I've found when a compelling solution is laid out first, and when that solution hits all the key touchpoints and concerns, the sourcing of the funds for the most part seems to fall into place.

The reason this works is driven by the strength in the solution. When the idea, or the project is so compelling, it gets the job done well. When the job is done well, people will automatically want to invest in it. When people believe in a strong solution to a problem they "dig deep "to ensure something great will occur. So, my suggestion is, first  get your structure and solution right, so everyone wants to actively contribute into the solution.  Once you have this in place your funding has a very high probability of evolving.

My third observation concerns structure.

I am not familiar with turn-around times and procedures in your industry, but, I do see the rapid rate of change that is presently going on in the Fintech Sector.

Is the proposed or existing structure capable of addressing matters at this up and coming rate of change? I'm not suggesting it is or isn't, I am highlighting that where I work we need to combine existing process, with new models like Lean or Agile techniques to be able to handle the rate of information and change that technology is bringing to the forefront e.g. Robotics, Big Data, Deep Learning, Artificial Intelligence.

What this means is that we don't always have the perfect answer, we need to review and learn and modify constantly, in a world that is constantly changing. If the world is constantly changing, how will the existing or proposed structures be able to cope? There are ways of building more flexibility into those structures to be able to handle this change. I'd like to suggests some of those structures need to be incorporated into your proposal in order to "Future Proof" yourselves.

I realise this reply may not be in the format as expected. The response was written to try and bring into the light some observations that may assist in the journey you are taking.

I hope what I have written will help in adding some thought - value to whatever structure is decided on. If any of this is of interest, or you would like more clarity please do let me know. I'll be more than happy to assist.

Sincerely,

Derek

**Derek Ariss**
Head of Innovation Education


**Lightbulb Capital**