

STANDARDS BOOST FOR REGIONAL AUDITORS

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THE NATION

Auditing industry regulators from Thailand, Malaysia and Singapore have agreed to upgrade the practices of auditors in their countries to meet International Financial Reporting Standards (IFRS) by January 1.

"We are preparing to train auditors through courses to be held nationwide starting next

month. Once the Asean market is fully liberalised in 2015 under the Asean Economic Community, we will see freer flows of trade, investment and skilled labour, including auditors," said Prasan Chuaphanich, executive chairman of PricewaterhouseCoopers ABAS Ltd.

He added that demand for auditor's reports would increase as connectivity within Asean grows. Therefore, auditors would have to adjust to the changing business environment.

Last month, industry regulators from Thailand, Malaysia and Singapore met with representatives of the big four auditing firms - KPMG, Deloitte Touche Tohmatsu Ltd, Ernst & Young and PricewaterhouseCoopers - to share experiences and discuss difficulties relating to auditor's reports. Auditors usually come into the spotlight only when corruption occurs. Mindful of this, the three countries have agreed to try to jointly improve the quality of their auditors.

Another meeting will be held in six

months to adopt guidelines for auditors, Prasan said. Currently, Thailand has about 10,000 auditors, of whom 50 per cent are active.

"We have engaged in continual discussions with the Securities and Exchange Commission, and found that if we can resolve financial reporting problems so that auditors are not involved with corruption, we will gain support from management audit committees and those who audit listed companies," said Prasan.

He said that over the past 10 years listed companies have become more aware of financial reporting due to the adopting of international reporting standards and greater financial disclosure.

"I believe that if every company can declare its financial state with transparency, this will boost confidence among investors," said Prasan, adding that it would also ease investors' decisions on whether to invest in the Thai stock market.

In addition, cross listing and dual listing among the three nations could be delayed if financial reporting methods in the countries are not standardised, he said.

The past two years have seen a historic change in financial reporting across the globe, with companies in over 90 countries now sharing a common framework in the IFRS.

In Thailand, the Federation of Accounting Professions has committed to bringing all its standards in line with the IFRS, and discussions are being held for future convergence toward IFRS for companies listed on the Stock Exchange of Thailand.