

Role and task of NIVRA

NIVRA's position in society and profession

The title of *registeraccountant* (RA) is legally protected. Registration in the Register of Accountants is mandatory for each *registeraccountant* and includes automatic affiliation with the professional organisation: the Royal Dutch Institute of *registeraccountant* (NIVRA). The nearly 14,000 *registeraccountant* in the Netherlands work as professional practitioners, are employed with government agencies or in the private sector, or serve as financial experts in various positions in society.

In its capacity as a professional organisation, NIVRA seeks to enhance the quality of auditing and financial reporting in general, embodying good governance and corporate social responsibility. This brochure illustrates NIVRA's role and ambitions as an active advocate for its members and society at large.

This publication is intended for both members and other interested parties. Although it does not have any professional practice status, reference can be made to publications that have such status.

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1. NIVRA's task

NIVRA's duties and responsibilities are set down in the Dutch *Registeraccountants* Act.

Part 1 of the Act stipulates that the duties of NIVRA are to advance the proper practice of the profession by *registeraccountants* and to foster their joint interest. In addition, the Act states that NIVRA is responsible for protecting the reputation of the profession.

These duties and responsibilities are aimed at achieving a high quality of audit and accounting, which is embedded in good governance and is of benefit to society at large. This can only be achieved if the integrity, objectivity and expertise of the accounting profession are absolutely guaranteed. In this regard, the interests of society at large are leading for those of the profession.

2. NIVRA's objectives

The practical interpretation of NIVRA's statutory duties has resulted in the following objectives:

1. Advancing the proper practice of the profession

Within the scope of its public role, NIVRA sets standards for the accounting profession. It bears responsibility for adequate regulations within the statutory frameworks and reviews them in the light of society's requirements. In addition, NIVRA monitors compliance with the professional code of conduct and any related rules and guidelines. NIVRA actively contributes to the required quality and expertise levels by offering support, education and information, and defining a professional and educational profile.

2. Fostering the joint interest

NIVRA fosters the interests of the professional practitioners within the relevant statutory frameworks and to the extent that they serve the public interest. NIVRA represents the profession in society, propagates viewpoints and provides adequate services to its members.

3. Protecting the reputation of the profession

NIVRA protects the reputation of the profession. It monitors compliance with the professional code of conduct and takes the necessary measures to enhance or preserve its reputation.

3. NIVRA's areas of responsibility

NIVRA focuses on three areas of responsibility in particular, i.e. audit, accounting and governance. In doing so, it distinguishes among three roles:

1. Regulator and monitor where the integrity and expertise of *registeraccountants* are concerned.
2. Platform for opinion-making and opinion exchange between *registeraccountants* and society at large, as well as among *registeraccountants* in their diversity of functions.
3. Provider of services to members within the scope of their practice of the profession.

NIVRA's role is different with respect to each of the three areas of responsibility:

Audit

NIVRA sets standards for audit and other procedures, and promotes compliance with statutory rules and regulations.

Accounting

NIVRA reviews the auditability and practicability of existing accounting standards. It advises regulators in their definition of the rules, and provides implementing and compliance guidance to its members.

Governance

Transparent governance principles, with the right checks and balances, are essential for a well-functioning audit and accounting environment. NIVRA plays an active role in governance policy and offers its members implementing and compliance guidance in this regard.

4. NIVRA's objectives for the coming years

1. We aim to increase our authority in the eyes of our members and society at large.
2. We aim to contribute to the quality of the accounting profession.
3. We aim to improve our member services.
4. We aim to shape our multi-faceted identity in a way that is consistent and recognisable, and appreciated by our members.
5. We aim to improve our financial situation, our effectiveness and our efficiency.

5. Ways for NIVRA to achieve its objectives

An active role in society

It is essential for NIVRA to profile itself actively where current affairs in society are concerned. This will increase public understanding of the accounting profession on the one hand, and build on the necessary social authority on the other. The public interest, i.e. assurance of the reliability of the financial markets, is the ultimate touchstone here as well.

An active role in society implies that clear positions must be taken with regard to sensitive social issues where the role of the auditor may be under threat. In the past year, our alertness repeatedly allowed us to take charge, or maintain control, of issues involving fraud, ethics, corporate governance and financial reporting. Over the coming period, this process will have to be streamlined and fleshed out without losing its momentum.

Quality and expertise enhancement

Although the quality of the profession in the Netherlands is satisfactory overall, there is no reason to lean back. Inadequate knowledge, regulatory pressures, and scarcity in the labour market are factors that adversely affect audit quality. Over the next few years, NIVRA intends to put forth the necessary efforts to bring about structural improvements in audit quality.

New regulations, more complex business processes and clients' and society's demands lay heavy tax on the knowledge and skills of *registeraccountants*. This should be reflected in standard curriculum and examination requirements, as well

as in continuing education. There is great potential for improvement in these areas. Continuing education activities will be stepped up.

A modern take on the role as regulator

More than ever before will NIVRA focus on the adequate fulfilment of its role as regulator of the profession. In doing so, we will principally be guided by international regulations (EU, IFAC). At the same time, we are well aware that our responsibilities cannot be comprised of issuing an increasing number of rules only. The quality of the rules is of growing importance. New rules must be clear, consistent, applicable and testable. The burden aspect should also be considered when these rules are defined. This is extremely taxing on the preparatory process, which will be highly interactive in nature. In addition, active consultation of all stakeholders requires clear agreements about the process and the different powers, as well as adequate evaluation and feedback. In our opinion, improved accessibility to regulations, whether or not in the preparatory stage and accompanied by interpretations, is an essential part of this process.

A powerful, multi-faceted professional organisation

In many areas, such as accounting, internal control and corporate governance, the different financial disciplines are developing towards an increasing interdependency, which forces them to enter into ever closer collaborative alliances. Although the division of roles and interdependency are obviously not new, the differences with the past can be found in the scale, the interrelationship and the degree of regulation of the current financial processes. The growing risks that are attached demand adequate operation and due management of the entire audit environment. Close and systematic collaboration among the financial disciplines, being the links in the chain, and unconditional quality standards within those disciplines are vital. These two conditions can best be guaranteed in one multi-faceted professional organisation. Within the scope of its aim to profile the multi-faceted nature of the organisation more powerfully, NIVRA will assign higher priority to, and ask for a larger input from, *registeraccountants* in specific job functions: public accountants, internal auditors, public sector accountants and financial managers.

Service improvements

Since adequate service provision is a prerequisite for the performance of its duties under public law, NIVRA has established its member services as a core activity, in addition to regulation of the profession. Member services include such activities as courses and conferences, publications and Internet-based information, and the operation of helpdesks. In view of the overwhelming supply of information, it is crucial that NIVRA should offer unique propositions in its core areas. This is the rationale behind NIVRA's ambition to develop into a leading centre of expertise in the fields of audit, accounting and governance. Knowledge management is the key for achieving this ambition. The goal is to bring about more coherence, efficiency improvements and better alignment of the curriculum to the requirements of the different member groups.

Service improvements are important for continuity reasons as well. At NIVRA, we intend to prevent our organisation from being dependent on statutory member contributions only. This would neither be in the interest of our members nor in that of the organisation itself. For this reason, NIVRA will seek to widen its organisational and financial base, and increase its income from service provision.



- 9. Vernieuwing intranet
- 10. Voortgang intranet
- 11. Uitgever
- 12. Competentieprofielen
- 13. w.v.t.t.k.

→ Acc.Dag + Stud. Dag
Jaaroverzicht



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