



Republic of the Philippines
Professional Regulation Commission
Manila

PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY
Resolution No. 244
Series of 2015

ADOPTION OF THE REVISED RULES AND REGULATIONS FOR THE CONDUCT BY THE PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY OF OVERSIGHT INTO THE QUALITY OF AUDITS OF FINANCIAL STATEMENTS AND OPERATIONS OF CPA PRACTITIONERS

WHEREAS, Sections 9 (g) and (h) of Republic Act No. 9298, also known as the "Philippine Accountancy Act of 2004" provides for the power of the Professional Regulatory Board of Accountancy (BoA) to: (g) to monitor the conditions affecting the practice of accountancy and to adopt such measures, including the promulgation of accounting and auditing standards, rules and regulations and best practices as may be deemed proper for the enhancement and maintenance of high professional, ethical, accounting and auditing standards; and (h) to conduct an oversight into the quality of audits of financial statements through a review of the quality control measures instituted by auditors in order to ensure compliance with the accounting and auditing standards and practices;

WHEREAS, to implement this mandate, the Professional Regulation Commission (Commission), upon the recommendation of the BoA, approved on July 28, 2009, Resolution No. 88, Series of 2009, entitled "Adoption of the Rules and Regulations for the Implementation by the Professional Regulatory Board of Accountancy of the Quality Assurance Review Program";

WHEREAS, after deliberation and consideration of the concerns and issues raised by various stakeholders, which include other regulatory agencies, on the aforesaid rules and regulations, the Commission, upon recommendation of the BoA, approved on February 2, 2010, Resolution No. 23, Series of 2010, entitled the "Revision of the Rules and Regulations for the Conduct by the Professional Regulatory Board of Accountancy of Oversight into the Quality of Audits of Financial Statements";

WHEREAS, on December 2010, the implementation of Resolution No. 23, Series of 2010, was stalled by the filing of an injunction suit by a group of practicing certified public accountants ("plaintiffs") and the issuance of the Injunction Order by the Regional Trial Court Branch 128 of Caloocan City which subsequently ordered the parties to settle the matter through judicial dispute resolution (JDR) ;

WHEREAS, pursuant to the court order for a JDR, the contending parties agreed to settle the case in a meeting between the plaintiffs and the BoA Chairman last July 4, 2010 at the Waterfront Hotel Cebu, the agreements of which are contained in the document called the "Cebu Accord";

WHEREAS, several hearings in the JDR were attended by the lawyers of the PRC Legal Division, the Office of the Solicitor General and the BoA where the court urged the parties to have a settlement as soon as possible, which would include the issuance of a revised Resolution containing the agreements in the Cebu Accord;

WHEREAS, the BoA has conducted a series of consultative meetings and dialogue with the plaintiffs and the public, provided exposure drafts and encouraged the various stakeholders to make comments and suggestions to the "Revised Rules and Regulations for the Conduct by the Professional Regulatory Board of Accountancy of Oversight into the Quality of Audits of Financial Statements and Operations of CPA Practitioners";

WHEREAS, the BoA, in the drafting and finalization of this "Revised Rules and Regulation for the Conduct by the Professional Regulatory Board of Accountancy of Oversight into the Quality of Audits of Financial Statements and Operations of CPA Practitioners" has incorporated as it deemed necessary, several of the comments and suggestions made by the stakeholders;

WHEREFORE, the Board **RESOLVES**, as it is hereby **RESOLVED**, to endorse for the approval by the Commission the "Revised Rules and Regulations for the Conduct by the Professional Regulatory Board of Accountancy of Oversight into the Quality of Audits of Financial Statements and Operations of CPA Practitioners" which is hereby made as an integral part of this Resolution as Annex A.

This Resolution and its Annex A shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation in the country, and shall supersede all previous Resolutions related to Quality Assurance Review, including Resolution No. 88, Series of 2009, and Resolution No. 23, Series of 2010.


Let copies hereof be further furnished the UP Law Center, Office of the PRB Secretariat, Standards and Inspection Division, Legal and Investigation Division, all PRC Regional Offices, Philippine Institute of Certified Public Accountants (PICPA), RTC Branch 128 Caloocan City and such other relevant offices for information and guidance.

Done this 4th day of December, 2015 at Manila.

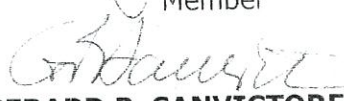

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ATTESTED BY:


ATTY. LOVELIKA T. BAUTISTA

Officer-in-Charge
Office of the Secretary to the Professional Regulatory Board

APPROVED:

(VACANT)
Chairman


ANGELINE T. CHUA CHIACO
Acting Chairperson


YOLANDA D. REYES
Commissioner