



## Knowledge Sharing

*'In his individual capacity an accountant has limited opportunities to flag anything. As a group, however, the profession is definitely capable of making itself heard. Sharing experiences makes it possible to identify and trace risks in the social system. We wish to enhance the stature of this collective role.'*

### Knowledge Sharing: a process of identification

The above-mentioned quotation of former NIVRA [Royal Dutch Institute of Chartered Accountants, now known as NBA] chairman Jan Helderma was made when the organisation's new building was opened in 2008. Even before the full extent of the credit crisis became discernible in our country, NBA felt the need to utilise the collective knowledge of its members to timely identify risks in social sectors or in particular themes. This ties in with the social role played by accountants.

As a result NBA has developed a new identification process: **Knowledge Sharing**. This mainly involves risks in the area of governance, operations, reporting and audit. Risks of a structural nature which point to problems that go beyond a specific organisation and, as such, can have a major social impact.

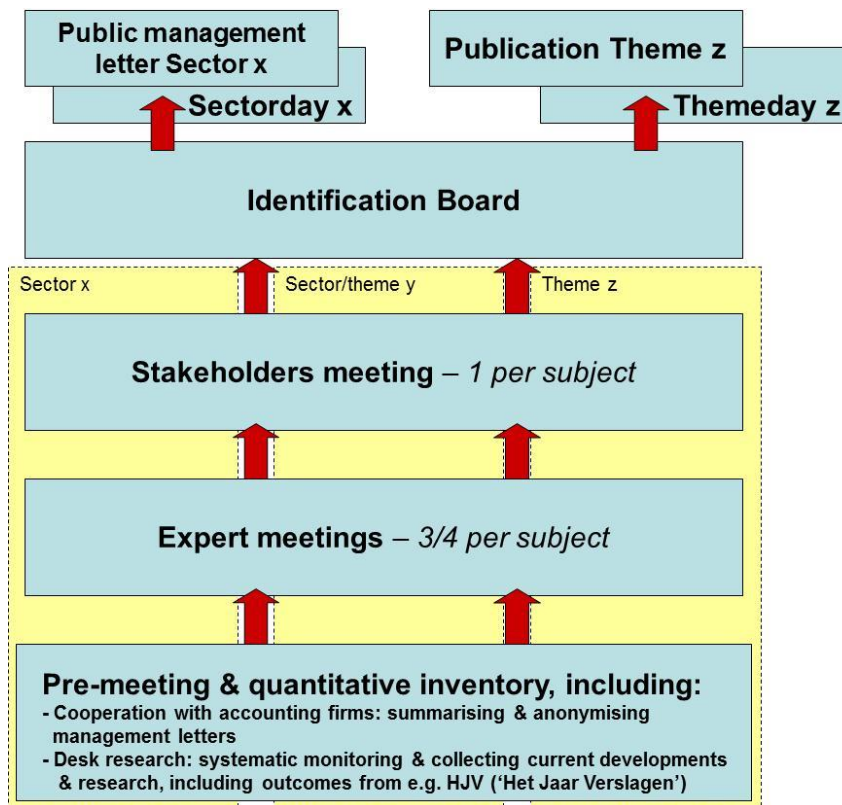
### Knowledge Sharing, how does it work?

Professional accountants – both public accountants and accountants working in a financial or managerial position – pry into the inner workings of organisations. They identify risks and any matter requiring special attention. This refers both to risks which directly involve an accountant's core business – the provision of financial information through annual accounts – and other issues. In this respect reference is also made to an accountant's 'primary catch' and 'incidental catch'.

Primary and incidental catch issues are flagged through a management letter which is intended for executives and supervisory board. However, sometimes it may also be advisable to identify those findings which span a sector or society as a whole, so as to facilitate a timely response by more parties. In an anonymous form which respects an accountant's duty to observe confidentiality. This is the principle underlying Knowledge Sharing, resulting in **public management letters**.

Knowledge Sharing begins with an inventory of risks which can take the form of a **survey** of NBA's members. Its findings represent the starting point for a qualitative itemisation, interpretation and diagnosis during a series of **expert and stakeholder meetings**.

Accountants with specific sectoral expertise come together in expert meetings. The knowledge that they share and acquire during those meetings is then shared in a broader perspective during stakeholder meetings: get-togethers featuring debates involving sector organisations, company directors, regulatory bodies and the legislature - if relevant.



### Identification Board

An important element of the project is the **Identification Board**: responsible for selecting the sectors and themes and for the social assessment of the findings and outcomes of Knowledge Sharing. The members of the Identification Board identify relationships with developments in society and are responsible for assessing information to determine whether there is a need for the timely communication of clearly defined signals. The Identification Board operates across sectors and is chaired by Prof. Dr. Frans van der Wel, a former KPMG partner and professor in external reporting at VU University Amsterdam.

### Public management letters

Since its start in 2010, it has become clear that the Knowledge Sharing programme meets a need and is appreciated by all parties involved. The confidentiality that accountants have to observe is no obstacle to share knowledge with colleagues and stakeholders.

Accountants and accounting firms gather information for the subjects that have been selected from their management letters (in an anonymised form). These pieces of the puzzle are used to compile a comprehensive overview, which is then published as a **public management letter** (PML) for an entire sector. In these PML's, the most important risks for a sector are identified and combined with recommendations to reduce such risks. Anonymised examples from individual management letters are included to illustrate the signals. Each PML contains a signal explicitly aimed at professional accountants, our own members. As accountants, we must be prepared to self-reflect, when we issue signals and recommendations to stakeholders in a sector.

So far, the NBA has published public management letters on sectors such as Insurance, Care, Pensions, Commercial Property, Greenhouse Horticulture and Municipalities, Charity, Education, Transport and Logistics, Life Sciences and Risk Management. As part of the Knowledge Sharing programme, NBA also presented a discussion report on pensions and Tone at the top.

**If you would like to know more about the Knowledge Sharing programme, please visit [www.nba.nl](http://www.nba.nl) (Knowledge Sharing is indicated on the English home page of the site).**