

Public consultation on the governance (with special focus on organisational aspects, funding, composition and the roles) of the Monitoring Group, the PIOB and the standard setting boards and Compliance Advisory Panel operating under the auspices of IFAC (March 2012)

Response from the Chartered Institute of Management Accountants (CIMA) (June 2012)

Chairman
Public Interest Oversight Board

Chairman
Monitoring Group

PIOB-MonitoringGroup@ipiob.org

Dear Sirs

Public consultation on the governance (with special focus on organisational aspects, funding, composition and the roles) of the Monitoring Group, the PIOB and the standard setting boards and Compliance Advisory Panel operating under the auspices of IFAC

CIMA is pleased to have the opportunity to comment on this consultation paper.

We have restricted our response to a brief and general commentary relating to the governance and oversight architecture of IFAC.

We agree that it is important to ensure that the governance structure “contributes to a clear public perception that the standard setting work is sufficiently sound and compatible with the public interest” but would advocate that the goal of this work should not be restricted to the improvement of audit quality, but to all facets of the profession.

Similarly, while we consider it essential that there should be effective and independent oversight of IFAC’s standard setting activities; it appears that a potentially very costly bureaucracy is being created to achieve that.

In that regard, we would suggest that consideration be given to the feasibility of the PIOB and Monitoring Group being restructured into one independent oversight board with a specific focus on upholding the public interest, and thus avoiding the potential pitfalls of conflicted interest between IFAC and those carrying out the monitoring.

Alongside this, we would advocate the need for greater transparency around IFAC’s standard setting work and the operation of the relevant boards and Committees and that this also should be addressed in the context of the public interest. The representation of the latter has already been enhanced by the appointment of the first independent Chair of IESBA and redefining the nature of the non-practitioner Board members; but, in addition, we would support IFAC reinforcing on a regular basis the need for Board and Committee members to always act independently and in the public interest, and to ensuring they do not submit to improper influence from any source.

We hope that this contribution will be of interest and assistance.

CIMA June 2012

<p>CIMA 26 Chapter Street London SW1P 4NP United Kingdom</p>

Tel: +44 (0) 20 8849 2251

Email: prof.standards@cimaglobal.com

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