

Implementing Global Regulatory Principles and Standards

The Contribution of the Accountancy Profession

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Introduction

- **IFAC and IASC - roles and responsibilities**
- **Key issues:**
 - International Accounting Standards
 - International Standards on Auditing
 - Ethics
 - Compliance



International Accounting Standards

- Development of core programme
- IOSCO endorsement
- Next steps
- Changes at IASC
 - New governance - Trustees and Board
 - Membership of the Board
 - Greater transparency



International Standards on Auditing

- Core of existing standards
- Existing level of acceptance and use
- Continuing review and updating
- New areas to be covered e.g. derivatives
- Other assurance areas e.g. PFI, environmental reports, KPI
- Their importance to decision takers
- Benefits of international endorsement
- Role of IOSCO



Ethics

- **Importance of independence of auditors**
- **Independence of appearance and of mind**
- **New IFAC framework**
 - consistency of approach with EU and USA
 - timetable



Compliance with Standards

- **Revised IFAC Statement on Quality Assurance**
- **Self assessment by professional bodies**
- **IFAC Compliance Committee:**
 - to review domestic introduction of IAS, ISA, other IFAC standards and guidelines
 - to review the monitoring and disciplinary procedures by professional bodies of their members



International Forum for Accountancy Development

- Building accounting capacity and capabilities in developing and emerging countries
- Strengthening financial reporting and its credibility
- Membership from IFAC, practising firms, regulators, IFIs
- Benchmarking various aspects of financial architecture against international standards e.g. accounting, auditing, independence, corporate governance, disclosure requirements
- Support and assistance to “plug gaps”



Commitments of Major Firms

- To support use of IAS
- To use ISAs in their audit procedures
- To ensure ethics rules comply throughout their networks using IFAC code as minimum
- To subject themselves to firmwide independent quality reviews
- To provide greater education and training
- Closer working relationship with IFAC



IFAC

- Strengthened with availability of greater resources
- Increase output of IAPC
- Further develop public sector accounting and auditing standards
- Establish Public Oversight Board
- Work more closely with practising firms
- Establishment of IFAC Forum of Firms
- Participation of firms in committee work
- Oversight by POB of new Board of IFAC, its assurance committees and FOF



Conclusion

- Profession and firms taking significant steps to meet/exceed public expectations
- Working increasingly closely with regulators and IFIs
- Greater openness and transparency
- IOSCO endorsement of IAS, ISA and independence code

