

**PUBLIC CONSULTATION
MONITORING GROUP GOVERNANCE REVIEW
PUBLIC INTEREST OVERSIGHT BOARD WORK PROGRAM**

The Monitoring Group (MG) and the Public Interest Oversight Board (PIOB) have approved the following public consultation papers, respectively, for simultaneous publication in March 28, 2012:

- (i) [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 the International Federation of Accountants \(IFAC\), and](#)

- (ii) [PIOB work programme 2012 and beyond, Public Consultation Paper](#)

Responses are requested by June 28, 2012, and should be submitted electronically to Piob-MonitoringGroup@ipiob.org

The MG and the PIOB will make the responses to their respective consultation papers publicly available unless the respondent expressly requests confidentiality.

In the first of the two public consultation papers, the MG has decided to consult publicly on the advisability of further reforms, building on and completing the effectiveness review that began in 2010 through a comprehensive governance review of the entire architecture currently in place.

In the second consultation paper, the PIOB consults on the review of its mission and medium and long-term strategy and explains the new oversight methodology developed and applied after the recommendations of the MG 2010 Review.

The purpose of the Consultation Papers is to seek separate input from any party interested regarding the (i) MG's preliminary proposals resulting from its assessment of the current governance structure, and (ii) the PIOB's work program for 2012 and beyond.

The Monitoring Group and the Public Interest Oversight Board may modify their preliminary conclusions or add practical implementation ideas to them in light of the comments received. The MG and the PIOB expect to draw their final conclusions by the end 2012.

Fernando Restoy (Monitoring Group Chairman) said:

“Essentially, we have to make sure that the governance structure contributes to a clear public perception that the standard setting work is sufficiently sound and compatible with the public interest. We see now an opportunity to ask market participants and other stakeholders if they envisage some concrete measures that could improve the independence, transparency and accountability to the public interest of the standard-setting activities. This exercise will lead to a more visible and legitimate organisation and to enhance confidence by market participants and public institutions, which seems to be a pre-requisite for a more global adoption of the international standards of audit, ethics and education.”

Eddy Wyneersch (PIOB Chairman) said:

“Financial markets in 2012 are different from what they were before the 2008 global financial crisis. Auditors must be discriminating and skeptical, and standards must enable sound professional judgments and transparent opinions, promoting and demanding consistent application. With seven years of experience since its formation the PIOB thinks it is now appropriate to explain how its oversight methods have evolved, and to consult on its mandate, its focus on the protection of the Public Interest through its approach to oversight, and its medium term strategic objectives. The ultimate objective of this process is to increase audit quality and thus confidence in financial markets.”

About the Monitoring Group

The MG is a group of regulatory and international organisations that have a responsibility to protect and advance the public interest and are committed to strongly supporting the development of high quality international auditing and assurances standards by IFAC and related high quality implementation practices by the audit profession. The MG includes representatives of the Basel Committee on Banking Supervision (the Basel Committee), the European Commission (EC), the Financial Stability Board (FSB), the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO), the World Bank and the International Forum of Independent Audit Regulators (IFIAR) which has recently become a MG full member after several years participating as an observer. IOSCO appoints the chair of the MG. The MG appoints the members of the PIOB through its Nominating Committee and monitors the execution by the PIOB of its mandate. Further information can be obtained from the IOSCO website at www.iosco.org/monitoring_group/

About the Public Interest Oversight Board

The PIOB oversees IFAC standard setting activities in the areas of audit performance standards, independence and other ethical standards for auditors, audit quality control and assurance standards, education, and IFAC’s compliance program, with the objective to ensure that these are properly responsive to the public interest. The PIOB oversees the International Auditing and Assurance Standards Board (IAASB), the International Accounting Education Standards Board (IAESB), the International Ethics Standards Board for Accountants (IESBA), their respective Consultative Advisory Groups and the Compliance Advisory Panel. The PIOB also oversees the nomination processes to these boards and committees. Further information can be obtained from the PIOB website at www.ipiob.org.