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Basel Committee on
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Independent Audit
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The World Bank

Press release of the Monitoring Group

28 March 2013

Monitoring Group Publishes Statement on Governance; Announces Outcomes of February 2013 Meetings and Appointment of Chair

The Monitoring Group, a collaboration of international authorities and organizations committed to advancing the public interest in audit quality and in international standards on auditing and assurance, auditor ethics, and education, published today a Statement on Governance in conclusion of a governance review initiated last year. The Monitoring Group statement was released in coordination with the release by the Public Interest Oversight Board (PIOB), a body overseen by the Monitoring Group, of a final report following its strategy review. The Monitoring Group also announced the outcomes of a roundtable and a meeting held in February 2013, and the appointment of its new Chair.

Statement on Governance and Feedback on Public Consultation

The Monitoring Group issued today a [Statement on Governance](#) and accompanying feedback statement, in coordination with the PIOB's release of a [final report](#) following its strategy review. On 28 March 2012, the Monitoring Group and the PIOB issued separate but coordinated public consultation on [governance](#) and [strategy](#), respectively. Comments received by the Monitoring Group can be found [here](#), while [comments received by the PIOB](#) are available on the PIOB's website. Today's publications conclude the Monitoring Group's and PIOB's reviews and provide feedback to public input received.

February 2013 Roundtable on IPSASB Governance

In its September 2012 meeting, the Monitoring Group added to its agenda the question of governance of the International Public Sector Accounting Standards Board (IPSASB). The March 2012 public consultation included a question soliciting views on potential Monitoring Group and PIOB involvement in IPSASB oversight. The IPSASB is the sole standard-setting board operating under the auspices of the International Federation of Accountants (IFAC) that is outside of the governance and oversight framework provided by the Monitoring Group and the PIOB. To take

forward its consideration, the Monitoring Group organized a 27 February 2013 roundtable, moderated by Monitoring Group Chairman Ethiopis Tafara. The aim of the roundtable was to gain improved insight about IPSASB's diverse group of stakeholders and their governance needs, with the objective of being better informed in order to responsibly and decisively assess the merits of any role for the Monitoring Group or the PIOB in IPSASB governance. A summary of the roundtable is found [here](#).

Monitoring Group Meeting

The Monitoring Group met on 28 February 2013 to further address IPSASB governance and to finalize the contents of the Statement on Governance. The Monitoring Group discussed input received through the roundtable (see [Roundtable Summary](#) for further information on the inputs received). The Monitoring Group concluded that its composition, as well as that of the PIOB, is not best suited for IPSASB governance. Further, the MG observed that an attempt to modify its or the PIOB's composition to be better equipped for IPSASB oversight could risk the realization of the objectives for which the Monitoring Group and PIOB were originally created. Having reached these determinations, the Monitoring Group has concluded its consideration of IPSASB oversight.

The Monitoring Group also met together with the PIOB to discuss the PIOB's oversight activities and PIOB funding. Appointed by, and accountable to, the Monitoring Group, the PIOB oversees the functioning of standard-setting due process of audit-related boards operating under the auspices of IFAC, with the objective of increasing the confidence of investors and others that the activities of the standard setters are properly responsive to the public interest. The PIOB reported to the Monitoring Group on oversight activities, with particular attention to those standard-setting and nomination procedures considered by the PIOB to be of highest risk and in need of public interest oversight. The Monitoring Group and PIOB agreed to enhance communication between themselves with respect to Monitoring Group members' input to standard-setting projects and areas of PIOB focus.

Representatives of IFAC joined the Monitoring Group and the PIOB for a portion of the meeting. IFAC updated the Monitoring Group on implementation of the Monitoring Group's recommendations following an effectiveness review of implementation of the IFAC reforms.

Appointment of New Monitoring Group Chair

Mr. Ethiopis Tafara, U.S. Securities and Exchange Commission Director of International Affairs, currently serves as Monitoring Group Chairman and IOSCO Vice-Chairman. Mr. Tafara will leave the U.S. SEC at the end of March, to become Vice President and General Counsel of the International Finance Corporation, part of The World Bank Group. Effective immediately, Mr. Howard Wetston, Q.C., Chairman of the Ontario Securities Commission, succeeds Mr. Tafara as Monitoring Group Chairman. Mr. Wetston was elected IOSCO Vice-Chairman earlier this month.

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About the Monitoring Group

The Monitoring Group is a group of regulatory and international organizations 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, education and ethics standards by IFAC and related high quality implementation practices by the audit profession.

The Monitoring Group 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 Forum of Independent Audit Regulators (IFIAR), the International Organization of Securities Commissions (IOSCO), and the World Bank. IOSCO appoints the chair of the Monitoring Group. The Monitoring Group 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/.