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IFAC Task Force Focuses on Restoring Credibility in Financial Statements

(New York/October 18, 2002) -- Improving the credibility of financial reporting worldwide is the objective of a new task force appointed by the International Federation of Accountants (IFAC), an organization representing more than 150 accountancy organizations from around the world. The IFAC Task Force on Rebuilding Public Confidence in Financial Reporting will be chaired by John Crow, former Governor of the Bank of Canada, and includes representatives from company management, boards of directors, the investment community, and the accountancy profession (see attached list).

"The task force will provide an international perspective on the problem of the loss of credibility of financial statements. This loss of credibility occurred prior to the collapse of Enron and WorldCom, although these events have made addressing the issue all the more urgent," comments IFAC President Aki Fujinuma.

"Specifically, the task force will identify and analyze the causes of the loss of credibility, and consider alternative courses of action to restore credibility. These may include recommendations on principles of best practice in the areas of financial and business reporting, corporate governance, and auditor performance," adds Mr. Fujinuma.

In carrying out its work, the task force will give attention to:

- The considerable volume of work already undertaken by IFAC member bodies and others at a national level in addressing the loss of credibility;
- Cross-national variation in the extent of the loss of credibility and its causes; and
- The emerging patterns of convergence in such areas as financial reporting and corporate governance.

The task force plans to issue a report in mid 2003. This report will outline actions that the task force considers are necessary to restore public confidence in financial statements, with a focus on the role of the accounting and auditing profession.

IFAC is the worldwide organization for the accountancy profession. Its mission is to develop and enhance the profession to enable it to provide services of consistently high quality in the public interest. It achieves this through the issuance of standards and guidance in five key areas -- ethics, auditing and assurance services, education, financial and management accounting, and public sector accounting -- and through the establishment of a compliance program requiring its member organizations to ensure accountants' adherence to high quality standards.

IFAC's current membership consists of 156 professional accountancy bodies in 114 countries representing more than two million accountants in public practice, education, government service, industry and commerce.

Members of the Task Force on Rebuilding Public Confidence in Financial Reporting

John Crow - Chair

John Crow is former Governor of the Bank of Canada, Chairperson of the Central Bank of Governors of the Group Ten countries, and a one-time head of the North American Division of the International Monetary Fund. He is a director or advisor to a number of companies and also the Vice Chairman of the Toronto Centre for Financial Sector Supervision. In 1999, he chaired a committee of international experts that was commissioned by the Executive Board of the International Monetary Fund to evaluate IMF bilateral, regional, and multilateral surveillance activities.

Christian Aubin

Christian Aubin is a former Inspector General of Finance for the Republic of France and has held senior-level financial positions within industrial multinational groups. In 1988, he was appointed Senior Executive Vice President of Corporate Finance for Banque Nationale de Paris and more recently has served as Secretary of the Board of Directors and Head of Ethics and Compliance for BNP Paribas Group. He is a member of France's National Accounting

Council, Accounting Regulatory Committee and a member of its Auditors Ethics and Independence Committee.

Olivia Kirtley

Olivia Kirtley is former Chair of the American Institute of Certified Public Accountants (AICPA) and current Chairperson of the AICPA Board of Examiners, which is responsible for content and structure of the Uniform CPA Examination. During her career, she has served as Chief Financial Officer of Vermont American Corporation and Senior Manager at Ernst & Young. She is a member of the Board of Directors and Audit Committee Chairperson for three companies traded on US stock exchanges.

Ian Ramsay

Professor Ian Ramsay is Dean of the University of Melbourne Law School and Director of the University's Center for Corporate Law and Securities regulation. He is the author of the recent report to the Australian Government on the independence of company audits which has been adopted by the Government as the basis for a new framework for ensuring the independence of auditors.

Mitsuo Sato

Mitsuo Sato is Senior Adviser to Dai-ichi Life Research Institute, Inc., a research subsidiary of Dai-ichi Mutual Life Insurance Company in Japan and a past President of the Asian Development Bank. He has held various senior-level positions within Japan's Ministry of Finance and served as the Deputy President at the Tokyo Stock Exchange.

Guylaine Saucier

Guylaine Saucier is a Corporate Director and has experience both as a Chief Executive Officer and a non-executive chairman. She recently chaired a committee to recommend improvements in corporate governance to the Canadian Stock Exchanges. Ms. Saucier is a current member of IFAC's Board and a former Chair of the Canadian Institute of Chartered Accountants.

Graham Ward

Graham Ward is a Senior Partner in Pricewaterhouse Coopers and a Board member of IFAC. He is also a member and former Deputy Chairman of the Financial Reporting Council in the United Kingdom and a member of the UK's Auditing Practices Board. Mr. Ward is a former President of the Institute of Chartered Accountants in England & Wales and a former member of the United Kingdom's City Panel on Takeovers and Mergers.

