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IFAC Council Adopts Reforms to Improve Audit Quality Worldwide

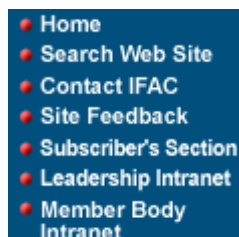
(New York and Singapore/Nov. 14, 2003) -- Today, the Council of the International Federation of Accountants (IFAC) unanimously approved a [set of reforms](#) designed to strengthen international audit standard-setting processes, achieve convergence to international standards and ensure that the international accountancy profession is responsive to the public interest. The reforms, the most comprehensive in IFAC's history, are unanimously supported by international regulators.

"Council approval of the reforms demonstrates the commitment of the entire profession, including IFAC's 155 member organizations as well regional accounting organizations and firms, to building public confidence in the quality of audits," states Ren?Ricol, president of IFAC.

The reforms provide for a more transparent standard-setting process with greater public input and the establishment of a Public Interest Oversight Board (PIOB) to oversee IFAC's standard-setting activities, particularly with respect to auditing, assurance, ethics, and independence. The PIOB will also oversee IFAC's compliance activities.

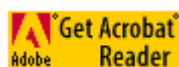
The reforms also provide a means for ongoing dialogue between regulators and IFAC through the establishment of an IFAC Leadership Group and a Monitoring Group comprised of regulators.

In a videotaped presentation to the IFAC Council, Scott Taub, chair of Standing Committee No.1 of the International Organization of Securities Commissions (IOSCO), pointed out: "IFAC is in a unique position. Because IFAC's standards are used by so many jurisdictions as the basis for the local auditing standards, new oversight and regulatory mechanisms embraced by IFAC hold out the opportunity to improve audit quality in many parts of the world at once."



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"Countries around the world recognize the critical need for high quality audits," commented Jaime Caruana, chairman of the Basel Committee on Banking Supervision and Governor, Bank of Spain in Madrid. "Over time, IFAC's reforms should result in improvements in international audit standards and practices that will help restore the confidence of capital markets in the quality of audit services. The Basel Committee is pleased to be involved with other regulatory and international organizations in supporting this important reform effort."

In a presentation to the IFAC Council in Singapore, Jerry Edwards, representing the Basel Committee stated, "The IFAC reforms are designed to inject oversight in the public interest into IFAC's activities, enhance the transparency of IFAC's standard-setting processes and provide for improved regulatory input and monitoring."

IFAC plans to move ahead swiftly on the reforms. The 10 members of the PIOB, including the chair, will be named in early 2004. These individuals will be appointed by regulatory and public interest groups involved in the development of the reform proposals: IOSCO, the Basel Committee on Banking Supervision, European Commission, World Bank, and the International Association of Insurance Supervisors.

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. Its current membership consists of 155 professional accountancy bodies in 114 countries, representing more than 2.4 million accountants in public practice, education, government service, industry and commerce.

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IFAC | 545 Fifth Avenue, 14th Floor | New York, NY | V: (212) 286-9344 | F: (212) 286-9570