

International Federation of Accountants

An Overview of IFAC and Its Current Initiatives

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Who is IFAC

- Global organization of the accountancy profession, dedicated to the public interest
- Comprised of 164 member bodies and associates in 125 countries
- Represents 2.5 million accountants in public practice, education, government, service, industry, and commerce

What IFAC Does

- Serves the public interest
- Establishes and promotes adherence to high quality professional standards
- Furthers the adoption and implementation of such standards
- Supports the global development of the accountancy profession
- Shares in regulation of the profession

What IFAC Does (continued)

- Supports professional accountants in business and small and medium practices
- Speaks out on public interest issues where the profession's voice is most relevant
- Promotes values of integrity, transparency and expertise

Standard-Setting Boards

- International Auditing and Assurance Standards Board (IAASB)
- International Accounting Education Standards Board (IAESB)
- International Ethics Standards Board for Accountants (IESBA)
- International Public Sector Accounting Standards Board (IPSASB)

International Auditing and Assurance Standards Board

- Develops high-quality auditing, assurance, quality control, and related services standards
- Focuses on adoption and implementation of its International Standards on Auditing (ISAs)
- Works with national standard-setters, international organizations and users of its standards
- Over 125 countries are currently using, adopting, or incorporating the ISAs for financial statement audits

IAASB Initiatives

- IAASB Clarity Center – full suite of ISAs and ISQC 1
- Assurance, Review, and Related Services Standards
 - Assurance on greenhouse gas statements and pro forma financial information
 - Review and compilation engagements
- Staff-Developed Materials
 - Staff Audit Practice Alerts and Staff Questions and Answers
 - ISA Modules – Videos and slides on revised ISAs (seven released in 2009, three in 2010)

International Accounting Education Standards Board

- Develops standards and guidance for education and development of professional accountants
- Focuses on enhancing the professional knowledge, skills, values, ethics, and attitudes of both students and professional accountants

IAESB Initiatives

- Revision of *International Education Standards 1-8*
- Development of Information Papers on Assessment and Professional Skills
- Release of 2010 *Handbook of International Education Pronouncements*

IESBA Initiatives

- Revised *Code of Ethics for Professional Accountants*
- Materials to support adoption and implementation of the Code
 - PowerPoint presentations
 - Overview of independence requirements
 - Comparisons
 - Template

International Public Sector Accounting Standards Board

- Develops public sector accounting standards under cash and accrual bases
- Facilitates convergence of national and international standards
- Standards represent international benchmark for public sector financial reporting and are supported by the UN, World Bank, OECD, NATO and other national and international organizations

International Ethics Standards Board for Accountants

- Develops ethical standards and guidance for use by professional accountants
- Encourages member bodies to adopt high standards of ethics for their members
- Promotes good ethical practices globally
- Fosters international debate on ethical issues faced by accountants

Committees

- Professional Accountants in Business (PAIB)
- Small and Medium Practices (SMP)
- Developing Nations (DNC)
- Compliance Advisory Panel

PAIB Committee Initiatives

- Consultation on changing roles and employer expectations of PAIBs
- Governance
 - Principles-based international guidance
 - Development of governance framework
- Business reporting
 - Published interviews with 25 global business leaders
- Sustainability
 - A4S partnership and implementation of MOU
 - IFAC Sustainability Framework

Small and Medium Practices Committee

- Monitors the work of IFAC groups to ensure SMP representation
- Provides input to international standard-setting
- Develops resources and tools for SMPs in collaboration with IFAC member bodies
- Works to increase SMPs' and SMEs' participation in global public policy and regulatory dialogue
- Raises the visibility and voice of SMEs and SMPs

SMP Committee Initiatives

- *Guide to Quality Control for Small- and Medium-sized Practices (QC Guide)*
- *Guide to Using International Standards on Auditing in the Audit of Small- and Medium-sized Entities (ISA Guide)*
- *Guide to Practice Management for Small- and Medium-sized Practices (PM Guide)*
- Annual forums addressing needs of SMPs and SMEs
- International Center for SMPs (www.ifac.org/SMP/)

Developing Nations Committee

- Supports the development of the accountancy profession in all regions of the world
- Raises awareness within the donor community of the importance of accountancy to economic growth
- Provides guidance and assistance to support the development of Professional Accountancy Organizations (PAOs)
- Hosts regional forums to address developing nation's accountancy challenges

Member Body Compliance Program

- Statements of Membership Obligations (SMOs) serve as the foundation
- Assists member bodies and associates in complying with international standards
- Works in partnership with member bodies, associates and regional organizations
- Compliance information posted on website

Member Body Compliance Program

- Part 1 – Fact-based questionnaire on the regulatory and standard-setting framework in the member body's country or jurisdiction
- Part 2 – Self-assessment of compliance with specific requirements of the SMOs
- Part 3 – Action plans developed by the member body to address areas identified in the self-assessment

Other IFAC Initiatives

- IFAC communications to the G-20
 - Emphasizes role of profession in addressing financial and economic crisis
 - Reinforces need for international standards
 - Calls for stronger corporate governance
 - Supports global sustainability initiatives



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www.ifac.org