

COMPLIANCE ADVISORY PANEL

WORKING PROCEDURES

This document describes the working procedures used by the Compliance Advisory Panel and the IFAC Compliance Staff and includes:

Section A – Action Plan Procedure

Section B – IFAC Membership Application Process

SECTION A – ACTION PLAN PROCEDURE

MEMBER BODY COMPLIANCE PROGRAM

ACTION PLAN DEVELOPMENT, MONITORING AND ENFORCEMENT PROCEDURES

Introduction

Action Plans are developed by IFAC members and associates to illustrate how organizations are addressing requirements set out in the seven Statements of Membership Obligations (SMOs). IFAC members, including the most developed bodies, often note that the Action Plan process adds value to their continuous efforts to strengthen and improve the quality of the profession. The process is very useful as it allows consolidating in one place all that is being done to fulfill IFAC obligations. It also assists organizations in demonstrating to their stakeholders their strong commitment to quality and continuous improvement of the accountancy profession. In other words, the Action Plan is a useful tool for managing organization's commitment to SMOs and how it performs as a member body of IFAC.

The following document outlines agreed principles for review, approval and monitoring of Action Plan progress, as well as relevant enforcement actions for the IFAC Member Body Compliance Program, Action Plan phase.

Action Plan Review and Finalization Procedures (as approved by the CAP in October 2008 with subsequent revisions agreed by the CAP)

1. Initial Action Plans are prepared by organizations either (a) based on Policy Recommendations as developed by the Compliance staff, or (b) in the cases of developed professional accountancy bodies the Action Plans are prepared to demonstrate how the organizations address SMO requirements on an ongoing basis.
2. To ensure uniform presentation of published Action Plans, all members and associates are provided with the Action Plan template developed by staff and referred to the IFAC website for examples of published Action Plans.
3. All seven SMO areas need to be addressed by all members and associates.
 - a. For those SMO areas where organizations currently use their best endeavors they are asked to indicate what ongoing processes are already in place.
 - b. Where organizations do not have responsibilities for some SMO areas (e.g. they do not represent auditors and therefore SMO 1 and SMO 3 may not be as

relevant), they should at a minimum provide a short explanation in the background note and provide one or two action steps that may be relevant to the particular area.

4. Organizations are asked to present each SMO area in a separate section with:
 - a. A clear subject and objective line for each section.
 - b. Background information for each section that should indicate key contextual information including:
 - i. The organization responsible for the SMO area
 - ii. The role of the member or associate if it is not the responsible organization
 - iii. The status of incorporation of relevant international standards
 - iv. The ongoing process to review and incorporate international standards
 - c. Action steps covering:
 - v. Improvements – if necessary to fully comply with the SMOs
 - vi. New developments
 - vii. Ongoing processes in place
 - d. To emphasize the continuous nature of an Action Plan, at the end of each section an indication is included about the Action Plan and the compliance information being subject to regular review and updates to address new developments in international standards, environmental changes, etc. (for example adoption of Clarity ISAs, revised Code of Ethics, changes in the law, etc.)
5. Staff compares the draft Action Plan with confirmed Policy Recommendations to ensure that all Policy Matters are addressed, taking into consideration recent developments in the country.
6. Organizations are asked to clearly identify responsibility and resource information. Clear guidance is provided in the template to advise about the purpose of relevant columns:
 - a. the “responsibility” column should indicate the person or position responsible for carrying through specific action (for example president, CEO or committee chair)
 - b. the “resource” column should indicate those specific resources (human and financial) that are required to carry out the action
7. Organizations should indicate steps to seek additional resources where they are needed
8. Timetables should be realistic. Organizations are asked to ensure enough time is allocated for all steps in a realistic manner as well as indicate and explain priority SMO actions

9. Clear subheadings should be used in each SMO section to group actions related to the same process
10. The complete name of a relevant committee, board, or organization should be listed and followed by its acronym the first time it appears in the Action Plan. Thereafter an acronym may be used. A glossary of acronyms should be included at the beginning of the document
11. IFAC members and associates have ownership of their Action Plans, and therefore draft plans are discussed and agreed by the leadership of the respective member or associate (typically that is the organization's Board, Council, or Chief Executive).
12. All agreed Action Plans are reviewed by the Senior Technical Manager or Director prior to final publication.
13. Upon publication, the staff:
 - a. Indicates the time for soft update and annual update to the members or associate
 - b. Notifies the CAP members and relevant Regional Organizations and Accountancy Groupings

CAP Involvement

14. The CAP continues to review a small representative sample of draft Action Plans and draft annually updated Action Plans, and reviews only those final proposed Action Plans that may be particularly complex or sensitive
15. Any specific issues raised by the CAP in relation to a draft Action Plan are discussed with the member or associate
16. The staff regularly provides detailed Action Plan status updates to the CAP during the Panel meetings.

Action Plan Progress Monitoring (as approved by the CAP in January 2009 with subsequent revisions agreed by the CAP)

Action Plans are meant to be evergreen documents updated and revised as necessary to address new developments and challenges. To ensure that meaningful progress of planned action steps is being made, the CAP and Compliance staff agreed on the process for an annual update on Action Plans (resulting in republication on the IFAC website) with less formal staff monitoring of progress after six months (soft updates).

Soft Update

Soft updates are designed to assist in maintaining relationship between members/associates and their assigned IFAC staff. Typically soft updates are conducted as conference calls. Discussions focus on:

1. Progress of key steps outlined in Action Plans:
 - a. Staff seeks to learn whether any major developments have occurred and if concerns exist with planned activities and/or related timetables
 - b. Where concerns exist, staff works with the organization to address them within a reasonable timeframe
 - c. While the discussions focus on main priorities, a quick line by line review of the Action Plan is also performed
2. Reinforcement of the message that Part 3 is an ongoing process focused on development and continuous improvement. Therefore, staff communicates to the member or associate:
 - a. Need for Action Plans to be updated to reflect actions completed and new actions to be addressed
 - b. Timetable for annual update
 - c. Progress is monitored by the CAP and staff, and progress report notes are prepared by staff and shared with the CAP
3. The staff also uses the call to clarify the progress made regarding developments in international standards (i.e. Clarity ISAs and revisions to the Code of Ethics, IFRS for SMEs).

Annual Update

12 months after the initial publication of Action Plans, members and associates are requested to provide an updated Action Plan that will be republished on the IFAC website. The process for annual update is as follows:

1. Upon receipt of the updated Action Plan the staff reviews it and works with IFAC member or associate to finalize the document and publish it on the IFAC website.

2. The Action Plan is updated for:
 - a. Completed actions
 - b. Revised timelines (if necessary); and
 - c. New developments.
3. Based on the review of the updated plan and discussions with the member or associate, the compliance staff updates the Part 3, Action Plan Progress Note
4. After the updated Action Plan is finalized, it is republished on the IFAC website.

Reporting to the CAP

File notes summarizing annual as well as soft updates are provided to the CAP.

Enforcement Actions (as agreed by the CAP in January 2008 with subsequent revisions agreed by the CAP)

With regards to organizations who fail to meaningfully participate in the IFAC Member Body Compliance program, the CAP and staff agreed on a set of guiding principles that were agreed with the IFAC Board.

Action Plan Development Timelines

1. Each stage of the initial development of the Action Plan is assigned a specific timeline:
 - a. 3 months to agree Policy Recommendations
 - b. 6 months to submit draft Action Plan (after the Policy recommendations are agreed)
2. Once published, Action Plans are updated every 12 months.
3. For each stage the CAP and staff will consider the need for suspension two months after the allocated timeframe has passed
4. As the primary objective of the Compliance Program is that of encouragement and improvement reasonable extensions may be granted if:
 - a. Organizations maintain regular and open communication with the IFAC Staff;
 - b. Valid reasons are communicated to the staff for not meeting the agreed timeframes; and/or evidence of some progress is submitted
5. Staff continuously monitors submission deadlines and proactively reaches out to members and associates to:
 - a. Remind them of an approaching deadline
 - b. If the deadline has passed contacts them by email, phone, or fax to understand the reasons for the delay
 - c. The staff seeks assistance of the relevant Regional Organization and/or Accountancy Grouping to reach out to the non-respondent

Suspension Considerations

6. If no meaningful response is received within two months of the deadline, staff communicates the possibility of consideration for suspension from IFAC membership to the member or associate
7. CAP is advised of possible suspension
8. No earlier than two months after the deadline, if no meaningful communication is received, an official suspension warning letter is sent by the Director, Quality and

Member Relations (QMR) – via email and in hard copy via courier – to advise non-respondent that:

- a. They failed to meet the allocated timeframe and have not provided any reasonable explanation for not meeting the deadline
 - b. Suspension recommendation will be made to the next IFAC Board meeting
 - c. The member or associate can avoid suspension by contacting the Compliance staff and providing a meaningful explanation of delay and/or evidence of progress made prior to the Board meeting that will consider the suspension recommendation
9. If no meaningful response is received, the Board considers suspension recommendation
10. If suspension is approved by the Board, the Director, QMR in an official letter advises the relevant member or associate about:
- a. The fact of suspension for failure to participate in the Member Body Compliance Program
 - b. Steps that the suspended body needs to take to remove the suspension.

Expulsion consideration

11. According to the IFAC By-Laws members and associates are given at least 9 months to cure the suspension. During the suspension period:
- a. The staff proactively reaches out the non-respondent including seeking assistance from relevant RO or AG and other contacts that can assist in reaching out to the member or associate in question
 - b. The CAP and staff considers whether expulsion recommendations should be made to the IFAC Board where the suspended body remains unresponsive
 - c. The non-respondent is officially advised about the possibility of expulsion
 - d. Expulsion recommendation is considered by the Board
 - e. If approved, the Board makes expulsion recommendation to the IFAC Council
 - f. The non-respondent is officially advised about expulsion recommendation being forwarded to the IFAC Council
 - g. If no meaningful response is received, the Council considers the expulsion recommendation.
12. If the Council approves expulsion recommendation, relevant IFAC Constitution and By-Laws provisions apply.
13. Organization is advised about the expulsion from IFAC membership in an official letter and is encouraged to contact the Developing Nations Committee who can provide guidance and facilitate assistance in required developments.

SECTION B – IFAC MEMBERSHIP APPLICATION PROCESS

**International Federation of Accountants
IFAC Membership Application Process**

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BACKGROUND

IFAC Mission

The mission of the International Federation of Accountants (IFAC) is to serve the public interest, strengthen the accountancy profession worldwide and contribute to the development of strong international economies by establishing and promoting adherence to high quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession's expertise is most relevant.

Responsibility for Membership Applications

The IFAC Board has the authority and responsibility for determining the criteria for and procedures by which organizations will be admitted into membership of IFAC. The purpose of the Compliance Advisory Panel (CAP) is to oversee the implementation and operation of the IFAC Compliance program which is the responsibility of the IFAC Staff reporting to the Chief Executive.

This paper outlines the categories for application to IFAC (member, associate and affiliate), the criteria to be met by applicants, the role and obligations of the Sponsoring IFAC member, and the documents to be completed by applicants.

IFAC MEMBERS

Criteria for Membership¹

Membership shall be open to Professional Accountancy Organizations² meeting the following criteria:

- The organization is acknowledged, either by legal decree or by general consensus, as being a national professional organization in good standing in the jurisdiction. In the case of general consensus, evidence exists that it does have the support of the public and other key stakeholders.
- The organization has met the obligations specified in the IFAC Statements of Membership Obligations (SMOs). In those cases where an organization has not yet met all the obligations in the SMOs, the organization has prepared a realistic and detailed action plan to meet such obligations.
- The organization actively participates in the IFAC Member Body Compliance Program.
- The organization is committed to participate in IFAC and promote the importance of IFAC and the International Accounting Standards Board (hereinafter referred to as the

¹ IFAC By-Laws – November 2008.

² See Appendix 1.

“IASB”) programs, activities and pronouncements.

- The organization is financially and operationally viable, and has an appropriate governance structure.
- The organization has an internal operating structure that provides for the support and regulation of its members.

Statements of Membership Obligations

The SMOs clarify IFAC’s membership obligations with respect to IFAC’s objectives. The SMOs address International Standards (Standards issued by IFAC and the International Accounting Standards Board (IASB)) and requirements for quality assurance and investigation and discipline of professional accountants and are as follows:

- SMO 1 Quality Assurance
- SMO 2 International Education Standards for Professional Accountants and Other IAESB Guidance
- SMO 3 International Standards Related Practice Statements and Other Papers issued by the International Auditing and Assurance Standards Board
- SMO 4 IFAC Code of Ethics for Professional Accountants
- SMO 5 International Public Sector Accounting Standards and other IPSASB Guidance
- SMO 6 Investigation and Discipline
- SMO 7 International Financial Reporting Standards.

The SMOs require members to use their best endeavors to meet these obligations and to actively promote international accountancy programs and standards established by IFAC and the IASB.

This requirement involves a significant commitment on the part of members. Members will be expected, through the Member Body Compliance Program, to periodically demonstrate the efforts that have been made to fulfill their commitment and achieve their obligations.

Membership Entitlements³

Member bodies in good standing are entitled to attend and vote at Council meetings (unless they are considered to be a delinquent member body), to seek nomination to the IFAC Board and other boards, committees or advisory panels, receive access to publications, and to participate in other activities as deemed appropriate by the Board or Council.

Membership Dues

Members are assessed dues based on economic and membership size indicators. Dues are calculated and invoiced annually on January 1. Please refer to the IFAC Member Body Reference Manual.

³ See footnote 1.

IFAC ASSOCIATES

Criteria for IFAC Associate⁴

Associate status shall be open to Professional Accountancy Organizations that do not yet meet all the admission criteria stated above, but demonstrate commitment to meeting such criteria and progressing to membership.

Other Considerations

Some Professional Accountancy Organizations are at an earlier stage of development or operate within a regulatory and standard-setting framework that present challenges with respect to demonstrating compliance with the SMOs.

Once admitted as an associate, IFAC will monitor the associate's progress in implementing agreed actions and generally, where progress has been made, the associate will be encouraged to apply for membership within two to three years. Associates are also required to participate in the Member Body Compliance Program.

Associate Entitlements⁵

Associates are entitled to attend and to participate in the discussions and deliberations at meetings of the Council, receive access to publications, and to participate in other activities as deemed appropriate by the Board or Council. Associates are not entitled to vote at meetings of the Council.

Associate Dues

Associates are assessed dues based on the minimum level established for IFAC members. Dues are calculated and invoiced annually on January 1. The dues methodology also includes minimum and maximum dues considerations. Please refer to the IFAC Member Body Reference Manual for information about the dues calculation.

⁴ See footnote 1.

⁵ See footnote 1.

IFAC AFFILIATES

Criteria for IFAC Affiliates⁶

Affiliate status shall be open to organizations that do not meet the associate admission criteria but that have as an objective the development of the accountancy profession.

In considering applications for Affiliate status, IFAC will seek evidence to demonstrate that the organization:

- Is of good standing and enjoys appropriate visibility;
- Has a financial and organizational structure that supports its viability;
- Has an interest in IFAC and IASB and their programs, activities and pronouncements;
and
- Will promote IFAC and IASB's activities.

Other Considerations

Affiliates may have international, regional or national membership and normally represent a group of professionals who interface frequently with the accountancy profession.

Affiliate Entitlements⁷

Affiliates are permitted to attend, but not vote at, Council meetings and to participate, by invitation only, in IFAC activities. Such invitations will normally be made where the affiliates has specific expertise to contribute to the IFAC activity (e.g., committee or task force).

Affiliate Dues

Affiliates dues are invoiced annually on January 1. Please refer to the IFAC Member Body Reference Manual.

⁶ See footnote 1.

⁷ See footnote 1.

APPLICATION PROCESS AND TIMETABLE

Application Deadline

Complete application materials, including the required application fee (see below) need to be received by IFAC by the application deadline, set for the application cycle for this particular year. For 2011, the deadline is May 31st 2011, and for 2012 and onwards the deadline will be January 1st of the application year. This is necessary to allow sufficient time for the Compliance Staff and the CAP to review such materials and form a recommendation to the Board by its September meeting.

Complete applications submitted after the deadline will be considered for the next year's approval process.

When incomplete applications are submitted and additional information requested by IFAC is not provided by applicant body prior to the deadline, the application file may be closed at the discretion of the Staff, with the approval of the CAP Chair.

Application Fee Requirement

Applicants must submit an application fee as part of the process.⁸ The application fee is calculated as follows:

- The application fee for first time applicants for associate or member status would be equal to their first year's dues up to a maximum fee of \$25,000.⁹ As noted above, members and associates are assessed dues based on economic and membership size indicators. Consequently, the calculation of an applicant's application fee will vary from applicant to applicant and should be confirmed with the Compliance staff as part of the membership application process.
- The application fee is non-refundable and must be paid by the deadline. If the application does not lead to a positive recommendation to the IFAC Board in that year, the applicant would only need to pay an application fee that is 50% of the fee as calculated under the first bullet when it applies the second time. The reduction reflects the fact that some due diligence was already conducted during the first application submission.
- Associates applying for full membership would be required to pay an application fee that is equal to 50% of the fee as calculated under the first bullet.

Support of Existing IFAC Member

The application process requires applicants to obtain an Attestation of Support from an existing IFAC member which must submit information that will provide IFAC with sufficient knowledge to evaluate the applicant's membership request.

⁸ The IFAC Board approved the requirement for an application fee at its November 2008 meeting.

⁹ Dues for Associates are \$3, 500 (2011) and \$4, 000 (2012).

Application Review Process

Once the complete application is received at the IFAC offices, it will be reviewed by the Member Body Compliance Staff to ensure all necessary information is included. The Staff will contact the applicant during the process to seek clarification of information where necessary. Staff will also contact the sponsoring member and possibly others to seek confirmation of information. Once all required information has been received and any questions have been sufficiently answered, an initial recommendation for membership may be made.

The Staff will refer the application to the CAP for its review and consultation. The Staff may then make a recommendation to the IFAC Board. The Board will then consider the application and, if approved, makes a recommendation to the Council that the application should be approved. The Council then votes whether to approve the Board's recommendation. If approval is not recommended at any stage of the process, the applicant will be advised as soon as it is practicable.

The Board currently meets four times a year, usually in February, June, September and November. An application may be considered by the Board at the February, June and September meetings. The application is presented to the Council for final approval at its next annual meeting, normally in November.

The entire process, from Staff review, CAP review and Board consideration may take between six months to one year depending on the completeness of information provided by the applicant and the need for further consultation with the applicant or others. Thus, applications should be submitted with sufficient lead time and all the required information.

SPONSORSHIP OF APPLICANTS

In using their discretion in recommending to the Board the admission of a professional accountancy body to membership, the IFAC Compliance Staff and CAP are guided by the following principles:

- The applicant shall be nominated by an IFAC member in good standing;
- If the country is already represented by one or more members, the applicant shall seek nomination by at least one of these members;
- If the member(s) represented in IFAC in the country of the applicant body will not nominate the applicant body, IFAC will seek to understand the reasons for the lack of such nomination. Where the reasons provided for the lack of nomination from the IFAC member(s) in that country are justified on public interest grounds, IFAC will not approve the application. In other cases, IFAC will consider a nomination from another IFAC member from outside the country.

ROLE OF THE SPONSORING MEMBER

The support provided to the Applicant by the sponsoring member throughout the application process contributes significantly towards the work of the IFAC Compliance Staff and CAP in evaluating the applicant body. For this reason, the Sponsoring Member is required to provide:

- An Attestation of Support; and
- A Report about their knowledge of certain aspects of the applicant organization, the application and supporting documentation, Compliance Program questionnaires, and audited financial statements for the most recent two years.

Throughout the application process, the IFAC Compliance Staff obtains as much factual information about the applicant as possible. Sources will generally include the applicant body, sponsoring body, internal research, and external stakeholders. Nevertheless, it relies heavily on the sponsorship of the existing IFAC member. The act of sponsorship is not, therefore, a mere formality. It is an affirmation by the sponsoring body to IFAC and its fellow members that:

- The Sponsoring Member has sufficient knowledge of the applicant body to provide reasonable grounds for supporting the application; and
- The Sponsoring Member has reviewed the application form and supporting documentation and that such information is correct and complete to the best of their knowledge.

The Sponsoring Member has a responsibility to IFAC and its fellow members to present an objective assessment. If this is not possible, it should decline to sponsor the applicant, as it is under no obligation to do so. Additionally, if there are factors related to the application (favorable or unfavorable) that are not evident in the application, these should be communicated to IFAC. The IFAC Compliance Staff and CAP wish to be in possession of all information relevant to the application for membership before making its recommendation to the IFAC Board and Council.

An attestation of support by an existing member is required for each category of membership including affiliate applicants. It is up to the applicant to secure the support. This support is evidenced by the completion of the Attestation of Support form.

APPLICATION DOCUMENTS

The application process seeks to obtain general information about the applicant's operations and financial position, the regulatory and standard-setting framework that the applicant operates within, its role and responsibilities with respect to the profession nationally, and its stage of compliance with international standards. The following documents must be completed and submitted to be considered for membership¹⁰:

¹⁰ All forms are available on IFAC's website at www.ifac.org or by contacting IFAC Compliance Staff. Applicants will require a login codes to complete the Assessment of the Regulatory and Standard-Setting

Sponsoring IFAC Member

- *Attestation of Support and Report by IFAC member.* The original attestation and the supporting member's overview about the applicant should be received when the application is submitted. In all circumstances, the IFAC Staff will contact the IFAC member body providing the Attestation of Support to obtain a full understanding of the procedures performed with regards to the applicant.

Applicant

- *Applicant's Assessment of the Regulatory and Standard Setting Framework.* For detailed instructions on completing the Assessment of the Regulatory and Standard-Setting Framework questionnaire, please refer to the questionnaire.
- *SMO Self-Assessment.* The applicant's self-assessment with respect to the matters addressed by the Statements of Membership Obligations.
- *Applicant General Information and Declaration of Intent.* This document requests supplemental information about the applicant to assist IFAC in understanding the governance structure, infrastructure and activities of the applicant. Applicants are also required to affirm their intentions regarding IFAC membership by completing the Declaration of Intent.
- *Audited Financial Statements.* The applicant body should provide the Sponsoring Body and IFAC with its most recent two years of audited financial statements, preferably prepared in accordance IFRS and audited in accordance with ISAs.
- *Application Fee.* The applicant's payment of the application fee.
- *Membership Statistics Form.* This document requests information about the applicant's membership size and the sectors they operate / work in, the categories of membership and sources of the applicant's revenues. The information should be provided for the last three years.

To make the application procedure as efficient as possible, we request that the applicant adhere to the following guidelines in completing the application.

- All documents and requested information are required to process an application form.
- Application documents must be completed in their entirety in English.
- As much information as possible should be provided in response to specific questions. While there are no guidelines as to what is sufficient and this will differ from organization to organization depending on the specific circumstances of the applicant, the information must be sufficiently descriptive for an external party to obtain a full appreciation about the role and responsibilities of the applicant, its operating structure, and the regulatory and standard-setting framework in its country. Additional information such as that suggested in the General Information form may be submitted in the local language accompanied by a brief description as to the information content.
- The completed form in a Word (.doc) file should be emailed to IFAC. A copy should also be mailed to IFAC.
- The Assessment of the Regulatory and Standard-Setting Framework questionnaire and the SMO Self-Assessment questionnaire should be completed electronically on the

Framework questionnaire and the SMO Self-Assessment questionnaire. These codes can be obtained by contacting IFAC Compliance Staff.

internet (refer to the IFAC Compliance Program website www.ifac.org/ComplianceProgram for more information about these questionnaires).

IFAC CONTACTS

All information should be submitted (preferably in electronic format) to:

Ms. Daria Koukhar
Technical Manager
IFAC Member Body Development
545 Fifth Avenue 14th Floor
New York, NY USA 10025
Email: DariaKoukhar@ifac.org
Tel: +1-212-286-9684 Fax: +1-212-286-9570

Inquiries may also be directed to Szymon Radziszewicz:

Mr. Szymon Radziszewicz
Senior Technical Manager
Member Body Development
International Federation of Accountants (IFAC)
545 Fifth Avenue, 14th Floor
New York, NY 10017, USA
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Appendix 1

In assessing whether an organization is a professional accountancy organization, the Compliance Staff and the CAP shall refer to certain guiding definitions. These definitions have been prepared to assist in the IFAC membership process and are not intended to be used or cited as authoritative definitions.

Professional Accountancy Organization

An organization, with a core focus of **Accountancy**, which meets the key attributes of a **Profession** such that its members who hold a certification, license or authorization to practice are subject to:

- Education, including examination of professional competence, practical experience requirements and continuing education
- Ethics
- Enforcement

Each member body determines the specific criteria for its members, in accordance with any applicable legislation or regulation. Members of professional accountancy organizations may operate at different levels of competencies and professional profiles.

Accountancy is the **profession** of **accounting**.

Accounting comprises measurement, preparation, validation, disclosure, auditing of and provision of assurance and advisory services on financial information.¹¹

Profession

Short definition: A profession is a group of people in a learned occupation, the members of which agree to abide by specified rules of conduct when practicing the profession.¹²

Full definition: A profession is a group of individuals who adhere to ethical standards and uphold themselves as possessing special knowledge and skills in a widely recognised body of learning derived from research, education and training at a high level, and who exercise this knowledge and these skills in the interest of others. It is inherent in the definition of a profession that a code of ethics governs the activities of each professional. Such codes require behaviour and practice beyond the personal legal and moral obligations of an individual. They define and demand high standards of behaviour in respect to the services provided to the public and in dealing with professional colleagues. Further, these codes are enforced by the profession and are acknowledged and accepted by the community.¹³

¹¹ Adapted from a definition obtained from Wikipedia.

¹² *Analytic Quality Glossary* Quality Research International.

¹³ Adapted from definition developed by the Australian Council of Professions (2004).