

COMPLIANCE ADVISORY PANEL

TERMS OF REFERENCE

1.0 Purpose

The purpose of the Compliance Advisory Panel (CAP) is to oversee the implementation and operation of the IFAC Member Body Compliance program which is the responsibility of the IFAC Compliance Staff reporting to the Chief Executive. The Compliance Advisory Panel is subject to the oversight of the Public Interest Oversight Board (PIOB).

2.0 Objectives

The objectives of the CAP are to oversee and advise the IFAC Compliance staff with regards to:

- Assessing applications for membership to IFAC and the related recommendations to the Board;
- Undertaking periodic reviews of the criteria for admission to membership and related recommendations to the Board;
- Reviewing the relevance, sufficiency and efficacy of the Statements of Membership Obligations (SMOs) and related recommendations to the Board;
- Implementing a self assessment process to determine whether members and associates comply with applicable SMOs;
- Approving action plans prepared by members and associates to address required improvements in their compliance with the SMOs;
- Disclosing compliance self assessments and action plans, as appropriate, for each member and associate via publication on the IFAC web site;
- Preparing recommendations to the Board for suspension or expulsion of a member or associate for failure to adequately participate in the Compliance Program;
- Involving Regional Organizations and Accountancy Groupings in the implementation of the compliance program, as appropriate;
- Reporting to the Board and Council on the compliance program and the results thereof;
- Assessing applications for the recognition of Regional Organizations and the acknowledgement of Accountancy Groupings and related recommendations to the Board; and

- Preparing recommendations to the Board for withdrawal of recognition or acknowledgement for Regional Organizations and Accountancy Groupings for failure to meet their obligations to IFAC.

3.0 Authority of Pronouncements

The Board has the authority to issue the SMOs. The CAP and Compliance staff may recommend to the Board the issuance of or changes to the SMOs with an affirmative vote of a simple majority of the CAP.

4.0 Membership

The CAP, including the Chair and Deputy Chair, shall be composed of not less than five members from IFAC member bodies appointed by the Board on the recommendation of the Nominating Committee and with the approval of the PIOB. Selection is based on the principle of “the best person for the job”. Additionally, the Nominating Committee shall properly consider that members of the CAP are experts in compliance matters and provide a broad geographic representation of member bodies.

Subject to transitional arrangements, members are appointed for terms of three years, and shall not serve more than two consecutive three-year terms, unless the person is appointed to serve as Chair for a further three-year term. Appointments are made annually, in such a way that approximately one third of the Committee shall retire every year.

Each member of the CAP shall sign an annual statement at the first meeting of the panel in each calendar year declaring that they will act in the public interest and with integrity in discharging their roles within IFAC.

5.0 Meeting Procedures

Each CAP meeting requires the presence, in person or by simultaneous telecommunications link, of at least two-thirds of the appointed members.

Each member has one vote. The affirmative vote of a simple majority of the members present at the meeting or by simultaneous telecommunications link is required to approve any decision. All membership and application matters which may result in a staff recommendation to the Board will be considered by the CAP before such recommendation is made to the Board. The meetings and agenda papers are in English which is the official working language of IFAC.

6.0 Other

The CAP will annually report on its work program, activities and progress made in achieving its objectives during the year. This report should normally be included as part of the IFAC annual report.

IFAC will review the terms of reference and processes followed by the CAP at least every three years.