POLICY STATEMENT

TRANSLATING THE PRONOUNCEMENTS OF THE INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD

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Introduction

1. Although the official working language of the International Auditing and Assurance Standards Board (IAASB) is English, the International Federation of Accountants (IFAC) and the IAASB recognizes that it is important that preparers and users of financial statements, auditors, regulators, lawyers, academia, students and other interested groups in non-English speaking countries have access to IAASB pronouncements in their native language. The purpose of this policy statement is to provide guidance on the translation of IAASB pronouncements, and covers the following:

(a) Roles and responsibilities of the National Professional Accountancy Body and the principal translator.

(b) Development of a translation plan.

(c) Establishment of a translation group and the translation of key words.

(d) Use of the work of an other translator.

(e) Inclusion of national requirements in translated IAASB pronouncements.

(f) IAASB’s consideration of the translation process.

1 Once finalized, it is proposed that the policy statement becomes and appendix to the Preface to IAASB pronouncements.
2. This policy statement also provides guidance on the establishment of an ongoing translation process and the approval of an existing translation process.

3. This policy statement is intended to enable the National Professional Accountancy Body to state that the translation of IAASB pronouncements was conducted under the auspices of the IAASB. This policy statement does not apply where the National Professional Accountancy Body adopts a national perspective on translation (refer Definitions below).

Definitions

4. “Principal translator” means the translator with the final responsibility for the translation of the IAASB pronouncements. The principal translator is appointed by the National Professional Accountancy Body.

5. “Other translator” means the translator or translators responsible for a preliminary translation of the IAASB pronouncements in accordance with the principal translator’s requirements. The other translator is appointed either by the National Professional Accountancy Body or the principal translator.

6. “National Professional Accountancy Body” means the Professional Accountancy Body that has decided to translate the IAASB pronouncements.

7. “Perspective of the translation” refers to the international perspective (conducting the translations using an international audit vocabulary, i.e. the key words – refer definition below), or the national perspective (conducting the translations using a national (audit) vocabulary).

8. “Key words” means the words and phrases contained in the Glossary of Terms and Lexicon of Words and Phrases Used in IAASB Pronouncements revised from time to time and published by the IAASB.

9. “Scope of the translation” refers to the translation procedures deemed necessary in the circumstances to achieve the objective of the translation as determined by the National Professional Accountancy Body.

Translation Plan

10. The National Professional Accountancy Body determines the objective of the translation (e.g. to meet the needs of national or international regulators, or of auditors within the national jurisdiction) and the perspective of the translation. The principal translator, in consultation with the National Professional Accountancy Body, determines the scope of the translation, and develops a translation plan, setting out the scope of the translation.

11. At a minimum, the translation plan outlines the following:

   (a) The objective of the translation.

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2 For purposes of this policy statement, National Professional Accountancy Body includes IFAC Member Bodies, national standard setters or any other organization that decides to translate the IAASB pronouncements. The translation of IAASB pronouncements may also be conducted jointly by two or more National Professional Accountancy Bodies of countries sharing the same language.
(b) The language(s) into which the IAASB pronouncements are to be translated.

(c) The perspective of the translation.

(d) The IAASB pronouncements to be translated, for example, International Standards on Auditing (ISAs) and International Auditing Practice Statements (IAPSs), and the number of ISAs and IAPSs to be translated.

(e) The timeframe within which the principal translator intends to finalize the translation.

(f) The budget available to conduct the translation.

(g) Procedures to establish a translation group and to translate the key words.

(h) Possibilities to outsource the translation to professional translators or to firms in the accountancy field (i.e. audit firms).

(i) Procedures for using, monitoring and reviewing the work of another translator.

(j) Where applicable, method to be adopted in reflecting national requirements in the translated IAASB pronouncements.

Establishment of Translation Group and Translation of Key Words

12. The principal translator is responsible for translating the key words. The translation of IAASB pronouncements is to be a faithful translation, with no omission or addition (except as provided for in paragraph 20 and for notes from translators), respecting the intent, tone and the organization of the IAASB pronouncements. In translating the key words, it is important that the principal translator seeks to understand the intent of the original drafters of the IAASB pronouncements so that misunderstandings do not arise because of a literal translation of the English text.

13. To facilitate the accurate and consistent translation of the key words, the principal translator establishes a translation group. The members of the translation group are native speakers of the language in question, have an excellent knowledge of English and are experienced in the use of IAASB pronouncements. Preferably, the translation group is to consist of the following:

(a) Current or past members of the IAASB (or its predecessor body, the International Auditing Practices Committee).

(b) Individuals involved in, or affected by, the translation process, for example, inhouse professional translators or key members from the National Professional Accountancy Body and regulators.

(c) Auditors experienced in the use of IAASB pronouncements.

The translation group reviews and agrees the principal translator’s translation of the key words.
14. Where the work of an other translator is to be used, the principal translator discusses the translation of the key words with the other translator prior to commencing the translation. In addition, the principal translator monitors the use of the key words throughout the translation process. The other translator is requested to indicate the use of key words in the translated text, for example, by three asterisks (***)

15. The principal translator, in consultation with the translation group, may consider it necessary to modify the original translation of a key word in the light of the use of the word in the translated text. It is critical that the key words are translated consistently throughout the IAASB pronouncements. Monitoring the use of key words throughout the translation process, and modifying the translation of these words as considered necessary, serves as confirmation that the initial (“cold”) translation of the key words, i.e. without the context in which the word is to be used, was realistic and is beneficial in circumstances when the timeframe of the translation is quite narrow.

16. Once the translation process is completed, the National Professional Accountancy Body communicates any proposed clarifications or amendments to the English text of the IAASB’s Glossary of Terms and Lexicon of Words and Phrases Used in IAASB Pronouncements to the IAASB Technical Director.

**Using the Work of an Other Translator**

17. When using the work of an other translator, the principal translator considers the following matters:

   (a) The professional competence of the other translator in the context of the specific assignment, i.e. the other translator’s professional qualifications, professional knowledge and ability to translate auditing pronouncements.

   (b) The reputation and infrastructure of the firm that the other translator is associated with.

   (c) Past experience of working with the other translator.

18. The principal translator performs a complete review of the quality of the other translator’s work.

19. The other translator revises the complete translation based on the principal translator’s review comments. This ensures consistent revision of, for example, those paragraphs not included in the principal translator’s review, and give the other translator the opportunity to learn from past experience.

**National Requirements Included in Translated IAASB Pronouncements**

20. When a National Professional Accountancy Body considers it necessary to supplement an IAASB pronouncement in order to reflect national law or regulations, or additional audit requirements, the supplementary text is clearly distinguished from the text of the translated IAASB pronouncement. It is proposed that the supplementary text is reflected in one or a combination of the following ways:
(a) Clearly separating the national requirements from the body of the translated IAASB pronouncement, for example, by including them at the end of the pronouncement as endnotes, or in an appendix.

(b) Including the national requirements as separate paragraphs in the body of the translated IAASB pronouncement. The supplementary text is shown as highlighted text so as to distinguish the national requirements. For example, underlined or shaded paragraphs numbered with the suffix a, b, c, etc.

National requirements are not inserted in the text of an existing paragraph of a translated IAASB pronouncement.

Changes to the Translation Plan

21. The original translation plan is considered throughout the translation process. The principal translator, in consultation with the National Professional Accountancy Body, may have to revise the translation plan during the translation process as a result of changes in conditions or unexpected results of translation procedures.

Translation Conducted Under the Auspices of the IAASB

22. The IAASB will permit a National Professional Accountancy Body to state that the translation of IAASB pronouncements was conducted under the auspices of the IAASB when:

(a) An international perspective to the translation has been followed;

(b) The translation plan has been prepared in accordance with this policy statement, and the IAASB Technical Director has considered and agreed to the plan prior to the commencement of the translation (and, where applicable, significant changes to the agreed translation plan have been communicated to and agreed with the IAASB Technical Director);

(c) The translation has been performed in accordance with this policy statement;

(d) Where applicable, national requirements have been clearly distinguished from the text of the translated IAASB pronouncement; and

(e) A letter of representation is received from the National Professional Accountancy Body, stating that the translation was conducted in accordance with this policy statement. The letter of representation is signed by the chief executive officer (or equivalent) of the National Professional Accountancy Body and the principal translator.

23. Stating that the translation has been conducted under the auspices of the IAASB does not mean that the IAASB warrants the translation as being accurate, consistent or complete. It is an acknowledgment that the National Professional Accountancy Body has used best efforts to translate the IAASB pronouncements accurately and consistently with due regard to a faithful interpretation of the original English text.

Ongoing Translation Process
24. Once the translation process has been completed, the principal translator, in consultation with the National Professional Accountancy Body, develops an ongoing translation plan. At a minimum, the plan outlines the following:

(a) The IAASB pronouncements to be translated on an ongoing basis, for example, ISAs and IAPSSs, and timetable to be followed in this regard.

(b) The annual budget available to conduct the translation.

(c) Procedures to maintain the translation group and key words.

(d) Procedures for using, monitoring and reviewing the work of an other translator.

(e) Where applicable, method to be adopted in reflecting additional national requirements and guidance in the translated IAASB pronouncements.

25. To retain the IAASB’s approval of translated IAASB pronouncements, the ongoing translation plan is considered and agreed by the IAASB Technical Director. In addition, the National Professional Accountancy Body, on an annual basis (or when new or revised translated IAASB pronouncements are to be published), submits a letter of representation to the IAASB. This letter is signed by the chief executive officer (or equivalent) of the National Professional Accountancy Body and the principal translator, and states the following:

(a) The ongoing translation plan agreed with the IAASB Technical Director has been followed in translating new and revised IAASB pronouncements.

(b) Where applicable, national requirements have been clearly distinguished from the text of the translated IAASB pronouncements.

Existing Translation Process

26. National Professional Accountancy Bodies that have already established processes to translate IAASB pronouncements and wish to state that their translations have been conducted under the auspices of the IAASB, submits the following for consideration by the IAASB Technical Director:

(a) A comparison of the translation process followed to date to the requirements of this policy statement, indicating any compensating procedures where differences exist.

(b) Evidence of the accurate translation and consistent use of the key words.

(c) Where applicable, how national requirements have been distinguished from the text of the translated IAASB pronouncements.

(d) An ongoing translation plan.
Effective Dates of Translated IAASB Pronouncements
27. The effective dates of the English text are reflected in the translated IAASB pronouncements, i.e. the translated pronouncements cannot have an effective date later that the effective date of the English pronouncement.

English Text Prevails
28. In the event of any dispute as to the meaning of a translated word or phrase, the English meaning thereof prevails.

Publication of Translated IAASB Pronouncements
29. In publishing the translated IAASB pronouncements, National Professional Accountancy Bodies follow the policies and procedures of The International Federation of Accountants, including those relating to copyright. In addition, the following text is printed on each translated IAASB pronouncement:

“This pronouncement of the International Auditing and Assurance Standards Board (IAASB), issued by the International Federation of Accountants (IFAC) in [insert month and year] in the English language, has been translated into [insert language] by [insert name of National Professional Accountancy Body] under the auspices of the IAASB in [insert month and year], and are reproduced with the permission of the International Federation of Accountants (IFAC). The approved text of all IAASB pronouncements is that published by IFAC in the English language.

Additional national requirements are included in the appendix to the translated pronouncement.”

30. National Professional Accountancy Bodies are encouraged to print the translated IAASB pronouncement together with the English text thereof.