POLICY STATEMENT Y

TRANSLATION OF THE INTERNATIONAL STANDARDS AND RELATED PRACTICE STATEMENTS ISSUED BY THE IAASB

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Purpose

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 recognize 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 International Standards and related Practice Statements issued by the IAASB in their native language. The purpose of this policy statement is to outline the IAASB’s policy with regard to translation of International Standards and related Practice Statements, 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 another translator.

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

2. This policy statement also outlines the IAASB’s policy with regard to the establishment of an ongoing translation process and the approval of an existing translation process.

Once finalized, it is proposed that the policy statement becomes an appendix to the Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services.
3. This policy statement is intended to enable the National Professional Accountancy Body to state that the translation of International Standards and related Practice Statements 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 paragraph 4(d)).

**Definitions**

4. In the policy statement the following terms have the meaning attributed below:

   (a) “Principal translator” means the translator with the final responsibility for the translation of the International Standards and Related Practice Statements. The principal translator is appointed by the National Professional Accountancy Body.

   (b) “Another translator” means the translator or translators responsible for a preliminary translation of the International Standards and Related Practice Statements in accordance with the principal translator’s requirements. The other translator is appointed either by the National Professional Accountancy Body or the principal translator.

   (c) “National Professional Accountancy Body” means the Professional Accountancy Body that has decided to translate the International Standards and Related Practice Statements.\(^2\)

   (d) “Perspective of the translation” refers to the international perspective (conducting the translation using an international audit vocabulary, i.e. the key words – refer paragraph 4(e)), or the national perspective (conducting the translation using a national (audit) vocabulary – such translation falls outside the scope of this policy statement).

   (e) “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.

   (f) “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.

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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 International Standards and related Practice Statements. The translation of International Standards and related Practice Statements may also be conducted jointly by two or more National Professional Accountancy Bodies of countries sharing the same language.
Translation Plan

5. The National Professional Accountancy Body should determine 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, should determine the scope of the translation, and develop a translation plan, setting out the scope of the translation.

6. At a minimum, the translation plan should outline the following:

   (a) The objective of the translation.

   (b) The language(s) into which the International Standards and Related Practice Statements are to be translated.

   (c) The perspective of the translation.

   (d) The International Standards and Related Practice Statements 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.

Establishment of Translation Group and Translation of Key Words

7. The principal translator is responsible for translating the key words. The translation of International Standards and related Practice Statements should be a faithful translation, with no omission or addition (except as provided for in proposed Policy Statement X, “International Convergence” and for notes from translators), respecting the intent, tone and the organization of the International Standards and related Practice Statements. In translating the key words, it is important that the principal translator seeks to understand the intent of the original drafters of the International Standards and related Practice Statements so that misunderstandings do not arise because of a literal translation of the English text.

8. To facilitate the accurate and consistent translation of the key words, the principal translator should establish a translation group. The members of the translation group ordinarily are native speakers of the language in question, have an excellent knowledge of English and are experienced in the use of International Standards and related Practice Statements. It is recommended that the translation group consists 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, in-house professional translators or key members from the National Professional Accountancy Body and regulators.

(c) Auditors experienced in the use of International Standards and related Practice Statements.

9. The translation group should review and agree the principal translator’s translation of the key words.

10. Where the work of another translator will be used, the principal translator should discuss the translation of the key words with the other translator prior to commencing the translation. In addition, the principal translator should monitor 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 (***).

11. The principal translator, in consultation with the translation group, may consider it necessary to modify the original translation of a key word (refer paragraphs 7 and 9) 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 International Standards and related Practice Statements. 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 original 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 original translation of the key words was quite narrow.

12. The National Professional Accountancy Body should communicate 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 Another Translator

13. When using the work of another translator, the principal translator should consider 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.

14. The principal translator should perform a complete review of the quality of the other translator’s work.
15. The other translator should revise the complete translation based on the principal translator’s review comments. This ensures consistent revision of all the translated text, and gives the other translator the opportunity to learn from past experience.

Changes to the Translation Plan
16. The original translation plan should be 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
17. The IAASB will permit a National Professional Accountancy Body to state that the translation of International Standards and related Practice Statements 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; and

   (d) 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 should be signed by the chief executive officer (or equivalent) of the National Professional Accountancy Body and the principal translator.

18. 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 International Standards and related Practice Statements accurately and consistently with due regard to a faithful interpretation of the original English text.

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

   (a) The International Standards and related Practice Statements to be translated on an ongoing basis and the 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 another translator.

20. To continue to state that the translation of International Standards and related Practice Statements has been conducted under the auspices of the IAASB, the ongoing translation plan should be 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 International Standards and related Practice Statements are to be published), should submit a letter of representation to the IAASB. This letter should be signed by the chief executive officer (or equivalent) of the National Professional Accountancy Body and the principal translator, and should state the following:

(a) The ongoing translation plan agreed with the IAASB Technical Director has been followed in translating new and revised International Standards and related Practice Statements.

(b) Where applicable, national requirements have been clearly distinguished from the text of the original International Standards and related Practice Statements.

Existing Translation Process

21. National Professional Accountancy Bodies that have already established processes to translate International Standards and related Practice Statements and wish to state that their translations have been conducted under the auspices of the IAASB, should submit 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) An ongoing translation plan.

Effective Dates of Translated International Standards and Related Practice Statements

22. The effective dates of the English text should be reflected in the translated International Standards and related Practice Statements, i.e. the translated pronouncements cannot have an effective date later that the effective date of the English pronouncement.

English Text Prevails

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

Publication of Translated International Standards and Related Practice Statements

24. In publishing the translated International Standards and related Practice Statements, National Professional Accountancy Bodies should follow the policies and procedures of The International Federation of Accountants, including those relating to copyright. In addition, the following text should be printed on each translated IAASB pronouncement:

“This International Standard/Practice Statement 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 International Standards and related Practice Statements is that published by IFAC in the English language.”

25. It is recommended that National Professional Accountancy Bodies print the translated IAASB pronouncement together with the English text thereof.