



**ESTABLISHING GOVERNANCE: A GUIDE
FOR PROFESSIONAL ACCOUNTANCY
ORGANIZATIONS**



**International
Federation
of Accountants**

The mission of the International Federation of Accountants (IFAC) is to serve the public interest by: contributing to the development of high-quality standards and guidance; facilitating the adoption and implementation of high-quality standards and guidance; contributing to the development of strong professional accountancy organizations and accounting firms and to high-quality practices by professional accountants, and promoting the value of professional accountants worldwide; and speaking out on public interest issues.

The Professional Accountancy Organizations (PAO) Development Committee consists of individuals from both developed and developing nations who focus on identifying solutions to challenges facing the development of strong, sustainable PAOs around the world. The committee's work is carried out in diverse ways at the national, regional, and global levels to deliver on three strategic goals: develop the capacity of the accountancy profession, increase awareness building and knowledge sharing, and foster and deepen development partnerships. Additional information is available on the IFAC website at www.ifac.org/paodc.

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Overview

A strong and well-governed professional accountancy organization (PAO) produces and sustains a strong accountancy profession that is able to serve the public interest and contribute to economic stability and growth. A successful PAO gains much of its strength from the sense of identity, benefits, and rights that members derive from membership; and from the contributions that individual members and firms make to the PAO in recognition of its public interest perspective. This sense of identity can also encourage compliance with professional and ethics standards as well as other membership requirements set by the PAO.

PAO membership constitutes a contract between the organization, its members, and its stakeholders, under which all concerned acquire certain rights and duties. To sustain this contract, it is important that the PAO's governance structure is designed to recognize its accountability to the membership and to the public served by its membership. This dual accountability should be carefully balanced so as to avoid conflict between the interests of members and the public interest.

In the early stages of establishing a PAO, the realization of a comprehensive governance structure may not be possible. A shortage of staff might require some tasks to be undertaken by board or council members or other volunteers. Whatever the governance model, it is important to strive to adhere to the principles of good governance—most particularly to ensure that there is adequate separation between executive and oversight functions and that there are safeguards in place where conflicts of interest may arise.

This guidance focuses specifically on the key elements of a PAO's governing structure and operations. The overall governance structure of a PAO should be designed to deliver on its mission and/or vision, and is typically grounded in a solid legal framework, including an accountants' act or equivalent, a constitution, and relevant bylaws. These elements are outlined in detail in [Establishing and Developing a Professional Accountancy Body](#).

REALIZING THE MISSION

The mission of a PAO is carried out by executive staff and through the work of volunteer members. Appropriate support for executive staff involves a range of important operational, public relations, and liaison functions that facilitate timely achievement of goals. Regardless of the size of the organization and its available resources, the efforts and contributions of volunteers can be critical. It is through volunteers that the organization can typically obtain the intellectual resources required to prepare standards, publications, and educational materials, as well as maintain contact with government, business, academia, and other key stakeholders.

MEMBER REPRESENTATION

A new PAO should actively consider its potential membership composition, which may include audit professionals; other accountants in practice; those in academia; those in both the private and/or public sectors; and accountants in business, including those working as employees or consultants in commerce, industry, financial services, education, and the public and not-for-profit sectors. The organization will need to consider how best to create and maintain its technical and operational capacity to meet the needs of the full range of its membership and to ensure that all members are appropriately consulted on strategic decisions.

Governing Structure

The Council or Board

The main governing body of a PAO is its council, sometimes referred to as a board. Council members are normally elected by the membership for a specified term, which may be renewable. In determining the size and composition of the council, consideration should be given to adequately representing the profession's key stakeholders and the PAO's range of membership, while also creating a group that is small enough to work efficiently. PAOs with members in both the public and private sectors will need to ensure appropriate representation from both sectors on the council and on other relevant committees.

The council is accountable to the membership, just as the PAO, as a whole, is accountable to the public and other internal and external stakeholders. It is usually led by a president who is also the chair of the council and elected either directly by the members or by the council, usually for a fixed term(s). Some PAOs also have one or more deputy presidents or vice presidents, also elected by the members or the council.

The council provides **strategic leadership** and oversight to the PAO to ensure achievement of objectives and effective operation. It usually approves the PAO's strategy and general policies, and monitors the implementation of that strategy. In the early years, or where resources are limited, the council may take a more direct role in operational and technical issues that, in a more established organization, would be delegated to a standing committee and executive staff.

A PAO's council will typically **meet** several times a year, although in the initial stages of establishing the organization, it will need to meet more frequently. The PAO's bylaws often provide for an executive group or committee led by the chief executive and/or president that meets more frequently and acts on behalf of the council in between council meetings.

Council **members** should largely be members of the PAO, with the exception of the appointment of a limited number of external stakeholders,

including "public members" and those who may be nominated to the council by the government, regulatory body, or other key stakeholder. Such members can provide assurance that the PAO continues to act in the public interest, as well as in the interest of its membership, and enhance the perception of transparency. Some organizations appoint a student representative to represent the interests of student members, or a representative of the ministry of finance or other oversight body where the relationship with government is of particular importance.

A limit in the **term** of council members is beneficial, in that new members can bring a stream of new ideas and perspectives. This should, however, be balanced with maintaining continuity and an appropriate succession plan. Ideally, councils in their entirety should not be changed too frequently as it may impede the organization's development and implementation of medium- or long-term projects.

The **duties and functions** of a council may include:

- drafting and/or approving amendments to the constitution and bylaws (and seeking member approval for the amendments);
- approving or electing the president, deputy president, and officers;
- approving the strategic plan and key initiatives and monitoring their implementation;
- approving policy in major areas;
- approving the budget and annual report;
- appointing the CEO and approving his or her duties;
- appointing committee members;
- ensuring compliance with legislative requirements; and
- representing and advocating the PAO's priorities to government and other stakeholders.

A clear and transparent **consultation** process involving the PAO's membership and other

appropriate stakeholders should underpin the council's activities.

The President

The president, sometimes referred to as the chairman, is the leader of the PAO, usually a volunteer elected by the council or the membership for a defined term (most often from one to three years). The president is accountable to the council, its committees, and to the PAO's membership.

The **role** of the president is to ensure that the PAO develops and maintains a strong, progressive identity as an organization responsible to its members and the community it serves. Specifically, the president:

- provides leadership and guidance to the overall strategy and policies of the PAO;
- promotes and advocates for the accountancy profession and the PAO by liaising with relevant stakeholders on a national, regional, and international basis, including the membership, government, regulators, public, and donors;
- provides external feedback to the PAO from those with whom he/she communicates;
- chairs council and executive committee meetings; and
- ensures that the PAO acts in the public interest.

A key obligation of the president is, therefore, awareness of current issues and developments affecting the accountancy profession nationally, regionally, and internationally, and driving strategic guidance to address such issues. In representing the profession, the president should stay clear of undue influence.

Where the PAO seeks to attract members from the public, private, and third **sectors**, a particular issue may be the identification of a president with the standing and authority to represent the PAO across all sectors. It may also be necessary to ensure that the president is not perceived as lobbying for the interests of any particular sector or subsector to the detriment of others.

A **deputy** president and/or vice president may be elected by the council to assist the president in his/her duties and substitutes for the president in his/her absence. The deputy president may or may not be the automatic successor when the term of the president ends.

Committees

Committees are an important element in the governance structure of a PAO and may be formed to ensure the views of appropriate member and non-member constituencies are adequately considered. In a less-established PAO, committees, supported by volunteers, may perform tasks that would be delegated to staff in a larger organization. A well-organized committee structure also helps the PAO stay attuned to the environment in which professional accountants operate.

The **challenges** around maintaining committees are that they may take more time and can cost more than the work of one person on a given project. Meetings must be scheduled and held, travel may be required, materials need to be prepared both before and after meetings, and time must be taken to air views thoroughly and build a consensus. The chief executive and/or the volunteer leaders must, therefore, make it clear to potential committee members that committee service is a privilege, not a right, and that constructive and active participation is required, often between, as well as at meetings. This may be facilitated by introducing a code of conduct for council and committee members.

Standing committees are **permanent committees** of the council, generally appointed by the council and charged with formulating policy. Such committees would usually have delegated authority from the council and, therefore, require council approval prior to decisions being made.

It is likely that, at the beginning, a limited number of standing committees addressing the following areas will be sufficient.

- Administration and membership: to establish the requirements for admission to, and expulsion from, membership and agree the services to be provided to members. In the early stages this committee could also handle financial matters that may later be delegated to a dedicated finance committee.
- Education, training, and certification: to set the education requirements for members, develop an accreditation program, and oversee the examination/assessment process, where appropriate. Where the PAO educates, trains, and examines its own students, a separate examination board or committee may be established.
- Technical matters and policy: to formulate policies regarding the development and/or adoption of technical, ethical, and professional standards, including accounting and auditing standards. This committee should focus on

international standards and good practices and work toward their adoption and implementation. As resources increase, the number of technical committees may be expanded to focus on specific sets of standards and pronouncements (e.g., audit and assurance, accounting, or public sector).

- Ethics, investigation, and discipline: to enforce compliance with a code of ethics, professional standards, laws, regulations, and other pronouncements of the PAO, and to investigate allegations of member misconduct. In the interests of transparency and public confidence in the disciplinary process, such a committee should review the requirements of IFAC's [Statements of Membership Obligations](#) (SMOs) 4, *International Ethics Standards Board (IESBA) Code of Ethics for Professional Accountants* and 6, *Investigation and Discipline*.

Please refer to the [case studies](#) in appendix 2 for illustrations of the governing structures of three different PAOs.

Operations

The Chief Executive Officer

The sustainability of any organization is significantly affected by the quality of the management of its operations. As soon as resources allow, the council should appoint a full-time employee to assume responsibility for the day-to-day management of the PAO.

The chief executive (CEO) leads the **implementation** of the organization's strategic objectives, as defined by the council, and is responsible for the conduct of the day-to-day affairs of the PAO.

The CEO is responsible for staff recruitment, performance management, and, ultimately, for ensuring that policies approved by the council and its committees are carried out effectively and efficiently. Selection of the most appropriate individual is, therefore, crucial to the success of the organization. The CEO will need to be an experienced senior manager who is able to think and plan strategically; creative and energetic, with the drive to develop the organization; and an excellent communicator—socially skilled and able to establish and maintain key contacts in all sectors. The CEO will also need a high level of financial acumen.

The **role** of the CEO, in collaboration with the council and other volunteers, is to:

- formalize a detailed long-term strategy and work plan, including specific milestones;
- lead the execution of that strategy, developing and directing staff to carry out agreed activities;
- manage the resources and staff of the organization in accordance with budgets and policies approved by council;
- report to the president and council on progress toward the organization's goals;
- provide advice and counsel to the president, council members, and other volunteers;
- ensure that the council, members, and other relevant contacts are kept informed of international, regional, and national

developments affecting the accountancy profession, including the work of IFAC;

- build and maintain effective relationships with government, business and professional communities, educational institutions, and donors; and
- ensure that licensing and disciplinary proceedings are pursued impartially and effectively according to statute or the PAO's rules.

The CEO should attend all council meetings to report on the implementation of policy and strategy, operations, and performance against strategic objectives, including financial performance measured against the budget. The CEO can also fulfill a representational role alongside or, where necessary, in place of, the president.

Managing a PAO requires a highly competent and committed CEO, the type of person who is usually much in demand. A less-established organization may find it difficult to attract such a person because it cannot offer a sufficient salary or status. If it is not possible to attract an appropriately experienced local person, it may be possible to obtain the services of an experienced administrator from another PAO for a period of time, either on a full- or part-time basis.

Staff Support

The CEO should appoint technical and support staff as funding becomes available. Job descriptions should be developed for each member of staff. As a starting point, to enable the CEO to function efficiently, it is recommended that administrative and secretarial support staff are engaged.

Strategic Planning

The strategic plan guides and drives the PAO's activities and priorities over a specified period. It determines where the organization is going, how it will get there, and how it will know when/if it gets there.

Serving as the guidepost for the whole organization, the strategic plan helps to clarify the organization's direction and ensure key leaders are all "on the same page," including the council, committees, and executive staff, whose activities and priorities support the organization's overall strategic direction.

The strategic planning process starts with a focus on the organization's **mission** (and vision and/or values, if considered appropriate)—what does the organization stand for and what is its overall purpose? Next, the process identifies **key goals** that work toward achieving the mission and strategies to achieve those goals, together with a timeframe for their completion. A SWOT analysis may be used to identify the Strengths, Weaknesses, Opportunities and Threats to achieving the PAO's objectives. A list of key performance indicators, stating specific tasks to be completed within a specific timeframe, as well as those responsible for the various related **tasks**, is often a valuable resource that can be utilized to keep all parties focused on key priorities.

Performance indicators with respect to international accounting, auditing, ethics, and public sector accounting standards, as well as those relating to audit quality oversight and investigation and discipline, should link to the relevant IFAC SMOs, which serve as the benchmark for best practice in the adoption and implementation of international standards.

For organizations new to the strategic planning process, it can be helpful to invite an expert facilitator (or a mentor PAO) to assist with strategy development. It is also recommended that PAOs refer to IFAC's [Member Body Compliance Program](#) SMO Action Planning process, which existing and potential IFAC member bodies use to develop their unique roadmaps toward best practice and SMO compliance. A planning group should be established to develop the strategic plan, which may involve all members of the council or only the CEO, president, and a few other appointed individuals. It is important that the planning group is representative of the PAO's membership and interest groups and that, where appropriate, wider consultation is undertaken.

The strategic plan should be regularly reviewed by the council to ensure it remains appropriate, taking into account developments within the national and global environment in which the PAO operates. It is also important that regular **reports** are prepared comparing progress with the objectives and priorities for both council and the PAO's constituents.

The [Sample Strategic Plan Outline](#) in appendix one illustrates how the strategic plan may be presented and provides a few examples of matters for consideration as part of the strategic planning and development process.

Business Planning

The strategic plan should be accompanied by a financial strategy and/or funding model. This is a particularly important document for newly established and developing organizations since it will help reassure members and other key stakeholders of the **financial viability** of the PAO in both the short and medium to long terms. The financial strategy and plan should answer some key questions, including:

- What investment is required to establish the PAO, over what timeframe, from which source(s), and at what cost?
- What is the operating cost profile of the PAO over the next 3-5 years?
- What revenue streams will be available to the PAO? How are these likely to change over time? Are these sufficient to finance the organization's operating costs and provide for the investment needed, if this has to be generated internally?
- If the revenue streams are insufficient to meet the PAO's needs, what other sources of revenue are available? Could another PAO or external expert suggest ways of closing the revenue gap?
- Is the financial strategy and plan capable of supporting the achievement of the PAO's overall strategy? If not, what needs to be modified?

APPENDIX 1: SAMPLE STRATEGIC PLAN OUTLINE

PROPOSED MISSION:	EXAMPLE:
What is the purpose of the PAO?	To promote high quality financial reporting and auditing in (insert name of country), and develop and maintain the competence of professional accountants.
VALUES:	EXAMPLE:
What are the values that are the guiding principles for the organization?	<ul style="list-style-type: none"> • Integrity • Expertise • Transparency • Accountability

STRATEGIC OBJECTIVES AND PRIORITIES

What are the strategic objectives and goals the organization wants to achieve in the specific period (anywhere between two and 10 years) toward carrying out its mission?

Strategic objectives should be supported by specific strategic priorities, actions, and projects. Associated key performance indicators (KPIs) to measure achievement of these objectives and priorities can also be developed to report against the achievement of the strategic plan. KPIs help the organization to be accountable to its constituents and stakeholders.

STRATEGIC OBJECTIVE:

Develop a high-quality education program covering the knowledge, skills, and ethics required of the PAO's members.

Strategic Priority

Develop a framework(s) for an accounting curriculum.

Actions and Projects

- a. Establish an education committee.
- b. Design an appropriate qualifications framework.
- c. Develop working relationships with local education and training providers.
- d. Review other accounting qualifications offered in the country or region and determine the extent to which these meet the needs of the qualification framework.

STRATEGIC OBJECTIVE:

Promote participation in and representation of the needs of the developing profession to international standard-setting organizations.

Strategic Priority

Monitor the international standard-setting boards' and relevant IFAC committees' work programs and, where relevant, seek to influence these groups to ensure that the needs of the PAO's membership are adequately addressed. Where available and appropriate, use existing regional bodies to facilitate this influencing process.

Actions and Projects

- a. Establish a small group of experts to influence IFAC committees and international standard-setting boards' work programs.
- b. Identify, and where appropriate co-ordinate with, relevant activities of regional bodies.
- c. Work with IFAC committees and the international standard-setting boards to address the issue of applicability and practical challenges of national implementation of international standards.
- d. Engage with government at the national and local level.

STRATEGIC OBJECTIVE:

Ensure that the PAO's members are operating in accordance with strong professional and ethical standards.

Strategic Priority

Promote and enforce the PAO's rules and regulations and implement a code of ethics.

Actions and Projects

- a. Establish a working group to review the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants* (the Code) alongside any relevant legal and regulatory requirements and produce a report on how the Code may be implemented in the jurisdiction.
- b. Disseminate and promote the Code via the website and publications.
- c. Investigate and discipline members in breach of the Code and publish appropriate results.

APPENDIX 2: CASE STUDIES

Institute of Certified Public Accountants of Rwanda

Prior to August 2008 there was no PAO in Rwanda and a small group of accountants served as proponents of the national profession. The Institute of Certified Public Accountants of Rwanda (iCPAR) was established by the Rwandan Parliament through Law Number 11 of 2008. Since its establishment, iCPAR's membership has been growing steadily, from 111 members in 2009 to 245 members, including 31 audit firms, in 2012. iCPAR was admitted as an IFAC associate in November 2012.

The Rwandan Accountancy Law gives the Institute a legal mandate to regulate the accountancy profession in Rwanda, and iCPAR has made steady progress in addressing its extensive range of responsibilities. The Law outlines the overall governance structure of the organization into three divisions: the General Assembly, the Governing Council, and the Permanent Secretariat.

The General Assembly is composed of all members of the Institute and fulfills high-level functions, including election of the Governing Council and approval of strategic and financial plans.

The Governing Council is comprised of seven elected members, including a chairperson and vice chairperson, plus three ex-officio members—the Accountant General, the Auditor General, and a university lecturer to represent universities. The Council's responsibilities include preparation and monitoring of the Institute budget, operational plan, and annual report; appointment of secretariat staff; issuing licenses to practicing members and firms; and oversight of registers of membership. Governing Council members are appointed for a two-year term, which is renewable once.

The Governing Council has the power to appoint technical commissions (committees) as required. The Law also provides for three statutory commissions, which are made up of members of the Institute. The first of these is the Commission for Inspection, which, among other things:

- advises on the development of national accounting and auditing standards;
- monitors compliance with adopted standards; and
- provides the Governing Council with recommendations for suspension or withdrawal of membership where a member is found guilty of professional misconduct.

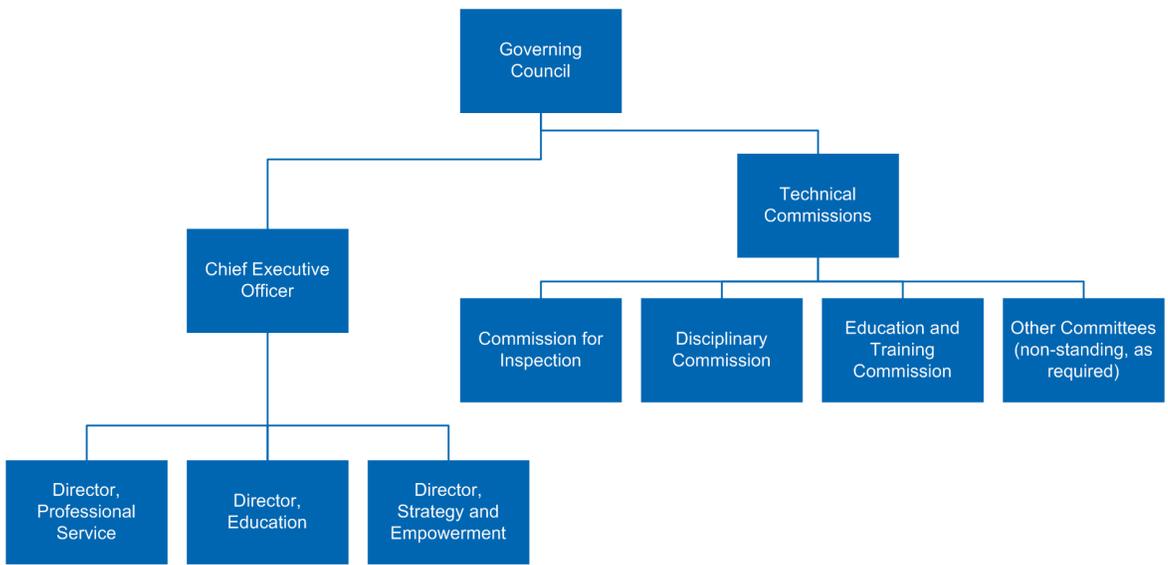
The Professional Accountants Curricula, Professional Education, and Examinations Commission's responsibilities include developing education requirements and syllabus; monitoring training courses; and overseeing enforcement of examination rules and operations. The Disciplinary Commission receives, analyses, and examines allegations/complaints of professional misconduct against members of the Institute and communicates its conclusions to the Governing Council.

iCPAR has recruited eight full-time staff members for the Permanent Secretariat for the following positions and departments:

- chief executive officer (CEO);
- deputy CEO;
- compliance-audit quality assurance/investigation and discipline;
- professional standards;
- training and development;
- public relations and communications;
- examinations; and
- finance and administration.

The CEO is responsible to the Council for all executive functions of the Institute.

ORGANIZATIONAL STRUCTURE: INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF RWANDA



Mongolian Institute of Certified Public Accountants

The Mongolian Institute of Certified Public Accountants (MonICPA) was established via registration with the Ministry of Justice as a non-governmental statutory organization with 120 Certified Public Accountants (CPAs) in 1996. When the Institute celebrated its 15th anniversary in June 2011, it had grown to more than 2,300 members across Mongolia.

MonICPA's legal status and key functions are defined in the Law on Auditing, which states:

- Mongolian Institute of CPAs shall be a non-government statutory organization serving society through approval of the Code of Professional Ethics for professional accountants and auditors, and enforcement of the Code across the country.
- Mongolian Institute of CPAs shall be responsible for organizing professional training, setting the CPA examinations, and providing audit firms with methodology, recommendations, advice, and other necessary information.

The principal governing body of MonICPA is the Assembly of Delegates, which convenes every four years. The Assembly approves key strategic decisions, any amendments to the Institute's Bylaws, and the Code of Professional Ethics in addition to appointing the Council, which governs until the next Assembly meets.

The Council of MonICPA is comprised of 19 members elected for a four-year term and is delegated powers, including:

- definition of the Institute's policy and strategy along with objectives and control over its implementation;
- appointment of the chief executive and approval of the structure of the Institute and number of executive staff;
- approval of the Institute's annual budget;
- approval of rules governing membership and subscription dues;

- proposal of amendments to the Code of Professional Ethics and its enforcement; and
- submission of recommendations for suspension/ revocation of CPA titles or audit firm licenses in cases of breach of the Code of Professional Ethics.

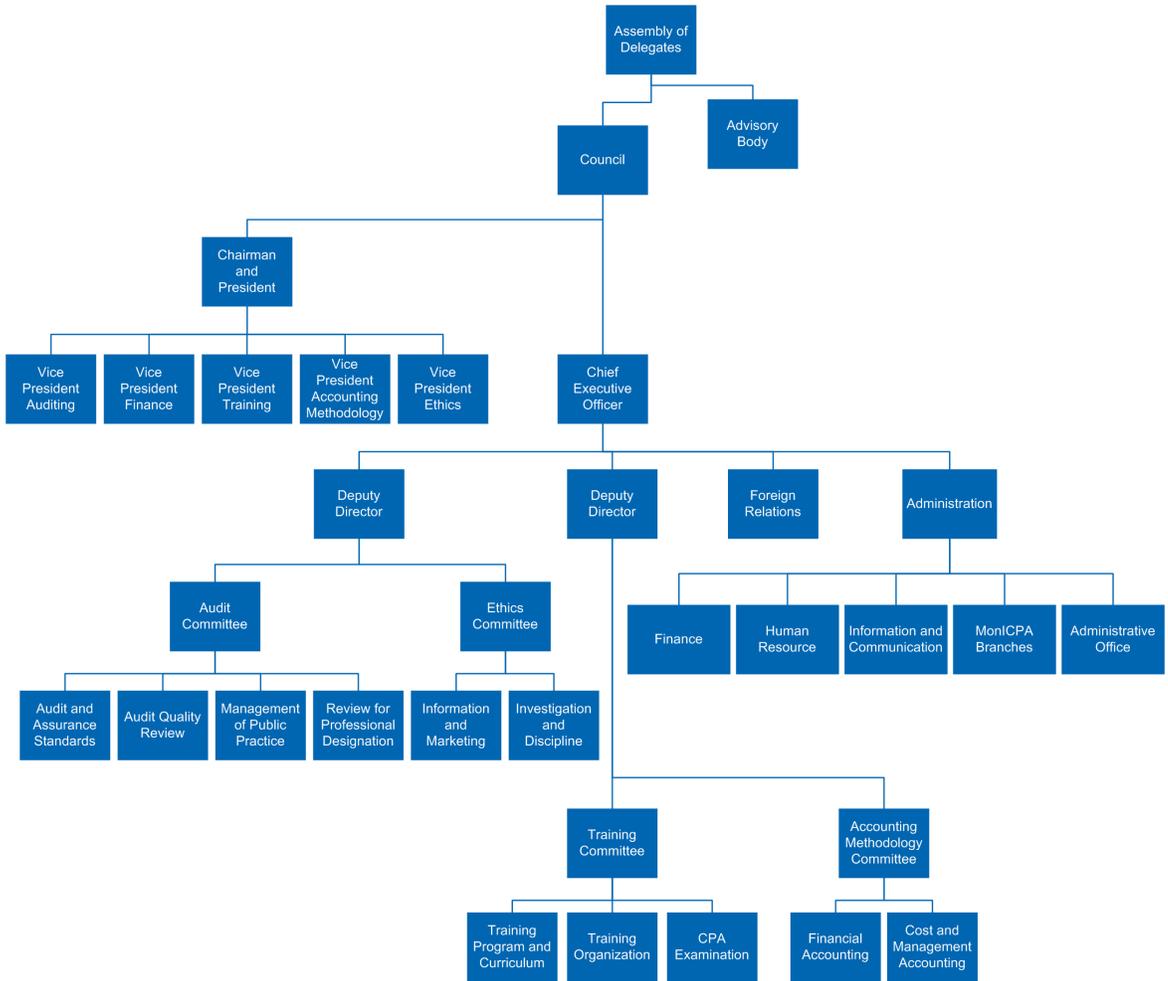
The activities of MonICPA are carried out through four key committees, each of which is responsible for one of the Institute's main functions.

- Accounting Methodology Committee— translates International Financial Reporting Standards (IFRS), develops interpretation and guidelines on particular standards, and provides advice on implementation of standards to business entities or individuals seeking such advice.
- Audit Committee—responsible for International Standards on Auditing (ISAs) translation, quality assurance processes, and the development of associated guidance for audit firms.
- Ethics Committee—main duties include development of the Code of Professional Ethics; registration of CPAs and audit firms; and the administration of issues related to potential breaches of the Code of Professional Ethics based on information and investigation.
- Training Committee—reviews the academic curricula and syllabuses of accounting universities; develops and updates timetables and program content for long-, medium-, and short-term training courses, including the continuing profession development (CPD) program; and oversees the CPA examination question database.

These committees then have sub-committees responsible for specific areas, such as the Audit Committee's Sub-Committee for Audit Quality Review, which is responsible for MonICPA's quality assurance reviews.

To support its activities, MonICPA has a full-time CEO and approximately 30 full-time staff.

ORGANIZATIONAL STRUCTURE: MONGOLIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



Society of Accountants and Auditors of Kosovo

The Society of Accountants and Auditors of Kosovo (SCAAK) was established in 2001 and is registered as a non-governmental not-for-profit (NGO) organization in Kosovo.

In 2007, SCAAK's Assembly adopted a new charter incorporating a mission to serve the public interest, committing it to addressing the IFAC Statements of Membership Obligations (SMOs). That year, through a program funded by the US Agency for International Development (USAID) and strengthened by the support of the European Union-funded Corporate Financial Reporting Project, Nederlandse Beroepsorganisatie van Accountants (NBA, formerly Royal NIVRA), an IFAC member body based in the Netherlands, established a formal relationship with SCAAK. NBA's work with SCAAK established foundations that allow the organization to develop in line with international standards and good practice. As a result, SCAAK has developed quickly, achieving IFAC associate status and becoming an example to others in the region and beyond.

SCAAK is governed by its Assembly, which is comprised of qualified accountants and auditors. The Assembly is SCAAK's highest decision-making body, responsible for approving SCAAK's overall strategic direction, policy, and budget. It also elects the Council, Nominating Committee, and Disciplinary Committee.

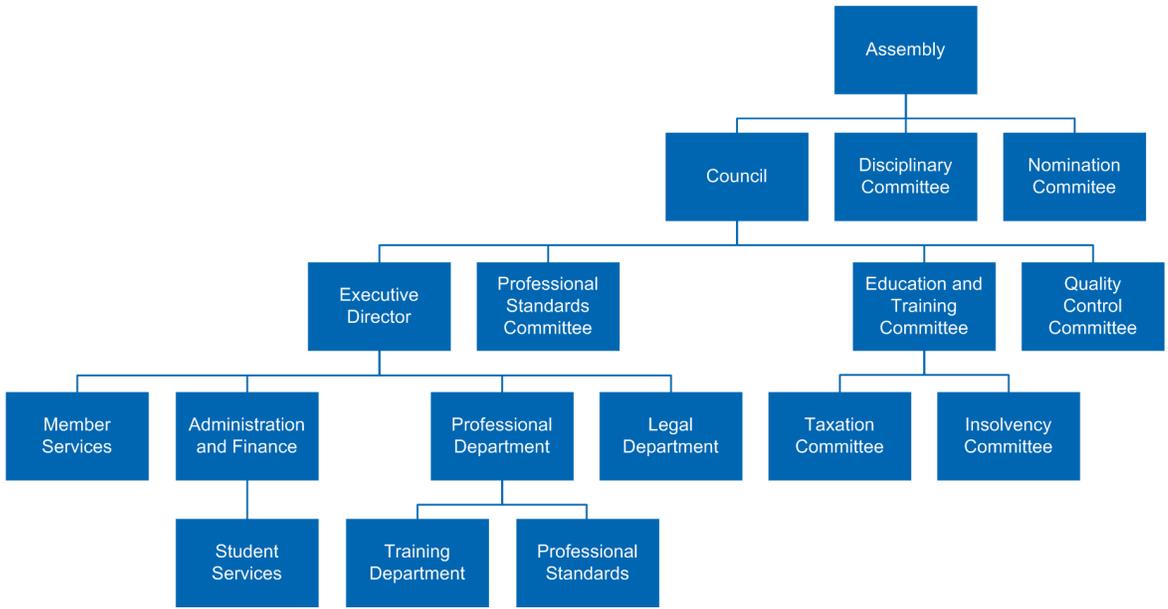
The Council's role is to provide oversight of the work of the full-time secretariat, in addition to electing the president (for a two-year term), vice president, and treasurer. The Council is also responsible for establishing committees, which are composed primarily of members of the Association but may also include non-members who possess qualifications and/or experience relevant to committee tasks.

SCAAK is led by a full-time executive director, who reports to Council, with a staff of 10 full-time and three part-time members. Staff resources sufficiently match the size and growth of the

organization. SCAAK is viable not only financially but also in terms of its independence, recognition, reputation, and longer-term prospects.

There is a clear distinction between the roles of Council and the executive function, with the former setting strategy and the latter executing it, in addition to developing strategy and policy proposals for consideration by the Council and committees. As an NGO and registered "public benefit" PAO, SCAAK is legally, as well as in practice, independent from the government.

ORGANIZATIONAL STRUCTURE: SOCIETY OF CERTIFIED ACCOUNTANTS AND AUDITORS OF KOSOVO



APPENDIX 3: ADDITIONAL RESOURCES

MODEL GUIDE FOR PROFESSIONAL ACCOUNTANCY BODIES

IFAC has developed a [Model Guide for Professional Accountancy Bodies](#) (Model Guide) based on *Good Governance: A Code for the Voluntary and Community Sector* (The Code). The Code was created by the Code Steering Group, comprised of the Association for Chief Executive Officers (ACEVO), the Charity Trustee Networks (CTN), the Institute of Chartered Secretaries and Administrators (ICSA), and the National Council for Voluntary Organisations (NCVO), and supported by the Charity Commission for England and Wales. The Model Guide has been specifically developed to assist PAOs in setting principles of good governance for the establishment and functioning of their council.

EVALUATING AND IMPROVING GOVERNANCE IN ORGANIZATIONS

[Evaluating and Improving Governance in Organizations](#), developed by the IFAC Professional Accountants in Business Committee as part of the International Good Practice Guidance series, includes a framework, series of fundamental principles, supporting guidance, and references for professional accountants in business and others on improving governance in organizations.

GOVERNANCE SELF-ASSESSMENT FOR PROFESSIONAL ACCOUNTANCY ORGANIZATIONS

[Governance Self-Assessment for Professional Accountancy Organizations](#) is an assessment tool developed to assist professional accountancy organizations in reviewing how they meet the principles and practices of the Model Guide and *Evaluating and Improving Governance in Organizations*. The part of the assessment tool focusing on the Model Guide is also based on the Code.

IFAC PAO DEVELOPMENT COMMITTEE

The PAO Development Committee consists of individuals from both developed and developing nations who focus on identifying solutions to challenges facing the development of strong, sustainable PAOs around the world. The

committee's work is carried out in diverse ways at the national, regional, and global levels to deliver on three strategic goals.

1. Develop the capacity of the accountancy profession

The committee drives and participates in a range of in-country technical assistance efforts and regional events that focus on promoting knowledge sharing between organizations. Tools and guidance materials, such as the in-depth [Guide to Establishing and Developing a Professional Accountancy Body](#), offer practical advice to PAOs on the road toward international best practice.

2. Increase awareness building and knowledge sharing

The Mentoring Program provides guidance to those undertaking PAO-to-PAO mentoring activities and raises awareness of this important method of knowledge transfer. Through enhanced engagement at the regional level, the committee also builds understanding of the role of IFAC, regional bodies, and individual PAOs in the adoption and implementation of international standards and best practice.

3. Foster and deepen development partnerships

The PAO Development Committee is deeply involved in the MOSAIC (Memorandum of Understanding to Strengthen Accountancy and Improve Collaboration) initiative. MOSAIC is a historic agreement setting the basis for improved cooperation and collaboration between IFAC and the international donor community.

Please visit the [PAO Development Committee web page](#) for further information in addition to regular updates on activities, outreach, and the development of guidance.

IFAC MEMBERSHIP AND THE COMPLIANCE PROGRAM

The IFAC Member Body Compliance Program strives to influence agendas and actions toward global adoption and implementation of the international standards through partnering with IFAC members, associates, and PAOs working

toward membership. It is a program of continuous development and improvement based on a set of statements that encompass the international standards issued by the independent standard-setting boards plus key principles of external quality assurance systems and investigation and disciplinary mechanisms. IFAC Member Body Development staff, with oversight and advice from the IFAC Compliance Advisory Panel, work in partnership with PAOs to support their evolution and alignment with the SMOs.

Please visit the [IFAC website](#) for further information.

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