INTRODUCTION

This paper outlines the rationale for the regulatory arrangements put in place for setting international standards for auditing and assurance, ethics and accounting education; arrangements in which responsibility is shared between the public sector and the private sector.

While the previous IFAC policy position paper on regulation of the accounting profession1 addressed regulatory issues at the national level, the focus of this paper is on standard setting arrangements at the international level.

The paper describes the manner in which the current arrangements, a combination of public and private sector roles,2 provide a standard setting structure and process that operate and are seen to operate in the public interest, in a context in which there are needs for legitimacy, independence, transparency, performance (encompassing technical competence, responsiveness and efficiency) and accountability. It seeks to recognize and address the need for balance in these areas, given that there may be trade-offs that need to be made. It also recognizes the need for the standard setting structures and processes, and the resultant standards, to create the right incentives for effective implementation of the spirit as well as the letter of the standards.

CONTEXT

The arrangements for international standard setting described in this paper were designed and implemented in the post-Sarbanes-Oxley Act3 environment and have been subject to subsequent enhancements. This environment was one in which there was a progressive and significant shift at a national level from regulatory systems in which private sector professional accounting institutions played a dominant role to one in which public sector regulatory organizations played a greater role in both standard setting and oversight.

At a national level, the shift from essentially self-regulatory arrangements to arrangements with a significant public sector role was a matter of degree in that, in most jurisdictions, the public sector had played some role prior to the Sarbanes-Oxley Act. Professional institutes in many countries regulated their members under powers conferred by statute and monitored by government departments or agencies. This was the case, for example, in many European countries, in Latin America and Australasia. So even where there was (and in some countries – such as Brazil, India and New Zealand – still is) substantial self-regulation, this was normally subject to statute and to public sector monitoring. While there are differences between the nature of the regulatory systems that operate at a national level and those at an international level, the design of the current standard setting arrangements at the international level was shaped by the nature of the changes at a national level, as described above.

Further, in the post-Sarbanes-Oxley Act environment, the enhancement of the role of public sector regulatory bodies was largely, though not exclusively, directed at audit in the context of listed companies and other public interest entities, leaving professional accounting bodies with important self-regulatory authority in other areas. Using the United States as an example, the American Institute of Certified Public Accountants (AICPA) still has authority to set auditing standards for entities other than listed companies and federal agencies.

Prior to the Sarbanes-Oxley Act, there were some noteworthy changes to IFAC audit standard setting arrangements during the period 2000-2002. These involved significant enhancements to the transparency of the due process as well as the change of title from the International Auditing Practices Committee (IAPC) to the International Auditing and Assurance Standards Board (IAASB). Similar enhancements were later put in place for the International Ethics Standards Board for Accountants (IESBA) and the International Accounting Education Standards Board (IAESB).

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1 Regulation of the Accountancy Profession, IFAC, December 2007.
2 Defined public sector roles are the responsibility of the Monitoring Group (MG) of regulators and other international organizations through the Public Interest Oversight Board (PIOB), through the involvement of regulatory organizations on the Consultative Advisory Groups (CAGs), and through observer roles on the standard setting boards. The private sector roles are the responsibility of the independent standard setting boards operating under the auspices of the International Federation of Accountants (IFAC) and through the membership on the standard setting boards of representatives of IFAC member bodies and of the Forum of Firms (FoF).
OBJECTIVES IN DESIGNING THE ARRANGEMENTS FOR SHARED RESPONSIBILITY FOR INTERNATIONAL STANDARD SETTING

In considering the design of the system for international standard setting it is possible to identify three critical aspects of the arrangements:

• First, the overriding objective in the design of the standard setting process was to ensure that the institutional arrangements would be, and would be seen to be, properly responsive to the public interest at a global level.

• Second, a key issue for the public interest was to strengthen the legitimacy and independence of the standard setting process, to increase public confidence in the standard setting arrangements and, ultimately, to strengthen financial reporting. Key elements of the arrangements to increase legitimacy and independence were an external process for monitoring and oversight of standard setting, and increased transparency.

• Third, it was important to maintain the technical competence of the standard setting process while ensuring that there was a sufficiently strong element of public oversight to achieve the first two objectives above.

The reforms were “also designed to contribute to the achievement of global convergence to high quality standards,”4 recognizing the importance to the global economy of achieving convergence.

PUBLIC INTEREST

The arrangements established for standard setting were based on the premise that unless appropriate structures and processes for governance and oversight, and appropriate levels of transparency, were instituted, the public interest would not be protected.5

Central to these arrangements was the creation of the PIOB, with a responsibility to maintain oversight of the standard setting activities carried out by the IAASB, the IESBA and the IAESB and of the activities of the Member Body Compliance Program.6 While this is not the only mechanism established to protect the public interest, it is a vital component without which other elements would not be perceived as sufficiently robust to protect adequately the public interest.

The reforms were instituted, the public interest would not be protected.5

LEGITIMACY

Legitimacy is achieved when the standard setting arrangements, both in structure and process, give the standards the level of authority necessary, in an international setting, to generate confidence in the standards of auditing and assurance, ethics and accounting education, and through those, confidence in financial reporting.

Legitimacy is achieved, in part, through independence, which is critical. However, for there to be legitimacy, there must also be high levels of transparency, appropriate levels of performance from the standard setter, and accountability of the standard setter to stakeholders, especially the international regulatory community.

In other words, legitimacy cannot be achieved unless all these elements are present, and unless the arrangements are seen as being legitimate, there will not be confidence that the public interest is being served.

Legitimacy is also achieved through representation in the standard setting process. A key element of representation relates to geographic or regional representation.

The system for international standard setting is designed to facilitate participation from nations at different stages of economic development and across diverse cultures.

In 2006, the IFAC Nominating Committee established a regional classification system that organizes its member bodies into six geographical areas: Africa/Middle East, Asia, Australasia/Oceania, Europe, Latin America and the Caribbean, and North America. In order to maintain geographical balance, the committee seeks to appoint individuals from each area on the standard setting boards.

IFAC has also established a program to subsidize the travel expenses from members of developing nations on all its boards and committees. This measure was implemented to improve participation in the standard setting process from countries in the developing world.

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4 IFAC Reform Proposals, Page 3, IFAC 2003.
6 IFAC’s Compliance Program is a developmental program designed to achieve the long-term development of the accountancy profession through IFAC’s member bodies taking action to enhance their compliance with Statements of Member Obligations (SMOs). This paper does not address the arrangements for achieving compliance with standards, instead it focuses only on standard setting.
A second element of representation derives from the notion that those who agree to abide by a set of rules have the greatest stake in the efficacy of those rules, as well as the strongest incentive to set appropriate and proportionate rules. In this sense, standards have greater legitimacy if there is an appropriate representation on the standard setting boards of jurisdictions that do, or intend to, apply those rules.

For the IAASB, there is a requirement, negotiated between IFAC, the European Commission (EC) and the Monitoring Group (MG),\(^7\) that the majority of members must come from jurisdictions that apply, or intend to apply, the International Standards on Auditing (ISAs).

While legitimacy is a test that standard setting arrangements must meet if the standards are to be widely adopted, when considering the protection of the public interest in a specific national jurisdiction, there is an additional, critical point to be considered. The adoption of the standards in any jurisdiction is ultimately a matter that has to be decided by the legislative or regulatory authorities in that country. Hence, each jurisdiction has the ultimate safeguard of not adopting the standards if they were to perceive that the standards were contrary to the national interest in that country, irrespective of the extent to which the standards were adopted elsewhere and were perceived to be legitimate.

Nevertheless, to the extent that adoption or endorsement of standards signals general acceptance and is a reflection of their legitimacy, it is helpful in the context of this paper to outline the current position with respect to adoption and endorsement. This is outlined in summary form in Appendix 2 of this paper.

**INDEPENDENCE**

In order to be seen to be legitimate, independence in fact and in appearance is essential to a standard setter. Independence, in the standard setting context, refers to freedom from inappropriate pressure, from whatever source, in decision-making.

Just as the independence of an auditor can be threatened,\(^8\) so can the independence of a standard setter. And just as it is possible to design safeguards against threats to audit independence, so, too, it is possible to design safeguards to protect the independence of the standard setter.

The international standard setting arrangements have a number of elements designed to create and protect independence. The first of these is a formal, independent public interest oriented oversight arrangement that has authority over the key elements of the standard setting structure and process (such as the authority to approve appointment of individuals to the standard setting boards and to approve their terms of reference and due process). Also critical are high levels of transparency in all aspects of the standard setting process from agenda setting to development and approval of standards.

For the public interest oversight arrangements themselves to be seen to be properly independent, the composition of the oversight body must be selected and approved outside the standard setting organization itself.

All ten members of the PIOB are appointed by the Nominating Committee of the MG with IFAC having no voice in the appointment decisions, thus ensuring political accountability for the standard setting process of the standard setting boards.

The members are nominated by the International Organization of Securities Commissions (IOSCO) (4 members), the International Association of Insurance Supervisors (IAIS) (1 member), the Basel Committee (1 member), the World Bank (1 member) and the EC (2 members). The final member is selected by the MG Nominating Committee from amongst nominations from IFAC.

The PIOB members all meet the requirements of the EC for membership of audit oversight bodies.\(^9\)

Additionally, the oversight body must be free from independence threats associated with its financing, which could in some circumstances enable funders to exert undue or improper influence over the decisions and actions of the body.

IFAC has given the MG a funding guarantee for the PIOB. The current agreement includes provisions for increases associated with inflationary changes and a process for agreeing to an increase up to the agreed funding cap, thus ensuring the ongoing operations of the PIOB until 2015. The PIOB is accountable to the MG in relation to its budget and the use of the budget, and IFAC does not participate in that process.

\(^7\) Established through the IFAC Reforms of 2003, the MG consists of international regulatory organizations and governmental authorities responsible for protecting and advancing the public interest and committed to supporting the development of high quality international auditing and assurance standards. The MG consists of the Basel Committee on Banking Supervision, the EC, the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO), and the World Bank, as well as two observers: the Financial Stability Forum (FSF) and the International Forum of Independent Audit Regulators (IFIAR).

\(^8\) Threats to auditor independence include threats associated with self-interest, self-review, advocacy, familiarity, and intimidation. [http://www.ifac.org/Members/Pubs-Details.tmpl?PubID=10456070402914590&Category=Ethics](http://www.ifac.org/Members/Pubs-Details.tmpl?PubID=10456070402914590&Category=Ethics)

In addition to the oversight arrangements, threats to the independence of the standard setting boards are safeguarded by two aspects of the process. The first is a formally approved and highly transparent due process.

**Due process of standard setting bodies**

Each of the standard setting boards has a formal due process, approved by the PIOB. The due process for each board covers, inter alia, project proposals, issues papers, consultation papers (where appropriate), exposure drafts (with sufficient comment period), comment letters posted to the website, final standards being approved only after extensive consideration of comments, and a stated basis for conclusions.

Before any standard is issued, the PIOB must approve that due process has been followed, based on a declaration from the Executive Director – Professional Standards and from its independent observations, dialogues, internal reviews and deliberations, etc.

The PIOB has the right, which it exercises, to observe meetings of the standard setting boards.

The standard setting process is highly transparent, with the meetings open to the public, the full package of agenda materials available to the public before meetings and minutes available after meetings.

The meetings of the IAASB are recorded and the audio tape is published on the IFAC website.

The second safeguard is the involvement of a Consultative Advisory Group and Observers in the standard setting process.

**Consultative Advisory Group (CAG)**

The CAGs are a key element of the standard setting arrangements. They enable the standard setting boards to receive technical advice, as well as advice regarding agendas, from interested external public sector and private sector institutions. Features of the CAGs are the following:

- The CAG elects its own Chair.
- The Chair of the CAG is an Observer to the standard setting board with the right of the floor.
- The CAG can appoint a member to sit on the Steering Committee of the standard setting board.
- The CAG has the power to hear and to reach conclusions on matters relating to the due process of the standard setting board and can, if it thinks appropriate, refer a matter of due process to the PIOB.

A further element which serves to protect against threats to independence is the requirement that members of the standard setting boards sign declarations that they will act in the public interest and not be subject to any improper pressure. Members of all IFAC boards and committees are required to sign such declarations annually, as are members of the IFAC Board who appoint members of the standard setting boards after PIOB approval. Also, from November 2008, the organization nominating the member of a standard setting board must declare that they will not inappropriately influence that member.

Many of the elements described above also act to protect against any independence threat to the standard setting boards associated with their resourcing, which is provided by IFAC member bodies and the FoF plus volunteer resources from a range of sources, including member bodies, firms, regulatory organizations and others. For example, the role of the CAGs in providing technical input to the standard setting process, and the role of the PIOB in ensuring that such comments are appropriately dealt with as part of the due process, provide safeguards against decisions that might not reflect the public interest.

**TRANSPARENCY**

Transparency is identified above as a critical element of due process which protects independence. Transparency also contributes to legitimacy and accountability. For this reason, transparency is central to the functioning of the standard setting boards, and is reflected in many elements of the structure and process of the standard setting boards, including those in the box above headed “Due process of standard setting bodies.”

**PERFORMANCE**

In recognizing the importance of independence, including independence from the accounting profession, it is also important that the standard setter has the capability to perform in order to ensure that the standards meet the objectives they are intended to achieve. In the context of a standard setting board this “capability to perform” might be achieved through technical knowledge and hands-on experience.
An effective standard setting board needs to achieve both independence and performance. While independence is essential, the performance of the standard setting board is enhanced if there is an appropriate representation of those with current or recent technical knowledge and hands-on experience in the application of the standards.

Performance also refers, in a standard setting context, to responsiveness and efficiency.

Responsiveness relates to the requirement that the process must enable new standards, or revised standards, to be produced in a timely fashion in the event of changed circumstances. It also refers to the need to listen and respond appropriately to concerns by stakeholders and others affected by the standard setting process.

Efficiency refers both to economic efficiency in relation to standards (benefits exceed costs) and productive efficiency in the process itself.

Given their global application, it is critical that the standards generate net benefits – that is benefits from a new or enhanced standard that exceed the economic costs of developing and implementing that standard. Implicit in this is that the standards do not impose excessive costs on the parties who must comply with the standards.

The composition of each of the standard setting boards is eighteen members, including the Chair (who in the case of the IAASB is full-time). Ten members are nominated by member bodies of IFAC, five by the FoF, and three are public members. The public members may be nominated by any organization or individual; however, they must be individuals who are, and will be seen to be, capable of representing the broad public interest.

Half of the members of the standard setting boards (including the public members) are non-practitioners, based on a definition of “non-practitioner” agreed by the MG.

While individuals classified as “non-practitioners,” whose independence from auditing firms satisfies a strict test, are not practicing within an audit firm, there is nevertheless an expectation that they will have the knowledge and experience to participate fully in the standard setting process. This composition achieves an appropriate combination of independence and technical competence and thereby helps the standard setting boards to set standards that are in the public interest.

The standard setting boards receive technical input in relation to specific standards and in relation to its work plan from a CAG, the members and chair of which are selected independently of the standard setting boards and IFAC, and who largely represent regulatory and stakeholder organizations.

This ensures that a regulatory perspective on technical issues is presented to the standard setting boards on an ongoing basis. The CAGs also provide advice on the standard setting boards work programs and priorities. There is a report-back process to the CAG on how the standard setting boards have responded to issues raised by the CAGs.

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Competence includes current technical knowledge and skills, and knowledge of practical issues through “hands-on” experience in the application of the standards. In the context of ISAs, this would encompass the relationship between standards and the quality of an audit, and similarly for ethical and education standards.

The practitioner members of the standard setting boards, including those nominated by the FoF, bring to the boards expert knowledge of audit and professional practice and make the boards fully aware of the likely impact in practice of changes to the standards.

This keeps the standard setting process grounded in the reality of current practice and reduces the possibility of the standard setting boards acting in an “ivory tower” manner.

The involvement of practitioners in the standard setting process also contributes to the legitimacy of the standards, especially in the eyes of those who must implement them.

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The involvement of practitioners in the standard setting process also contributes to the legitimacy of the standards, especially in the eyes of those who must implement them.
Efficiency also refers to the productive efficiency of the standard setting process itself, that is the relationship between resources used in and the output of the standard setting process. In this context efficiency needs to be distinguished from effectiveness in fulfilling the function of the standard setting board. This distinction is important because in some circumstances greater productive efficiency could be achieved but at the expense of effectiveness. The standard setting process should be as efficient as possible without compromising its effectiveness.

Further, the standard setting process needs to be economical. The use of highly qualified volunteers is a means of achieving economy in the process and also ensures that standards are set by individuals with knowledge of the practical implications of the standards they set.

ACCOUNTABILITY
There must be clearly established mechanisms to hold the standard setting boards accountable, both individually as members and collectively as a board.

The IFAC Annual Report includes a section reporting the services produced by each of the standard setting boards and describes what has been achieved during the period.

The service delivery report is subject to independent review assurance from IFAC’s independent external auditors.10

The IAASB produces an annual report on its activities during the previous period. The other two standard setting boards report within the IFAC Annual Report.

The individual accountability of standard setting board members is through annual performance monitoring by the IFAC Nominating Committee, subject to PIOB oversight.

The PIOB has authority to request the removal of a member or Chair, if they believe there is valid cause.

There must also be appropriate accountability arrangements for other parts of the process, such as the oversight body.

The PIOB produces an annual public report on its oversight activities.

The PIOB is also accountable to the MG for its budget and spending.

A BALANCED SYSTEM
The features above should not be seen in isolation. The key underlying objective is overall system performance, which involves a trade-off amongst the features above. In fact, some features may work in opposition to one another. For example, independence from sectional interests or inappropriate political pressure is desirable; however, independence from any concern for regulatory efficiency (such as due consideration of compliance costs) is undesirable. Similarly, due process is essential to legitimacy; however, this must be balanced with responsiveness, in that the process itself must enable a response to “events” in a timely fashion.

Further, this need for trade-offs carries implications for the allocation of functions within the overall structure. More specifically, it implies that a key design feature is the allocation of functions between public and private sectors. For example, while oversight might desirably be in the public sector for reasons of political legitimacy, standard setting may require the involvement of private sector practitioners for reasons of competence and responsiveness.

There are other aspects of balance which warrant mention. There is a need within the elements of the system for balance between technical and non-technical inputs. This balance is achieved in the elements of the standard setting structure that are external to IFAC through the non-technical role of the PIOB and the technical role of the CAGs. Internally, the same balance is demonstrated through the role of FoF members and public members and the notion of parity between practitioners and non-practitioners.

It is also desirable to achieve balance and consistency between formal structures and processes on the one hand and the manner in which they are given operational effect, on the other. The formal mechanisms include IFAC’s Constitution and Bylaws, the terms of reference of the standard setting boards, and their due process. The formal elements of structure and process are reinforced through the means in which they are operationalized. The operational aspects include the fact that the PIOB has a presence at virtually every IFAC Board, Nominating Committee and standard setting board meeting. In addition, IFAC’s Officers and Directors and the Chairs of the standard setting boards and the CAGs are periodically invited to parts of the PIOB meetings to report on their activities. These interactions result in an ongoing process of consultation and communication that supports, strengthens and provides inputs to the formal deliberative processes of the PIOB, the CAGs and the standard setting boards. In respect of the PIOB, these operational elements of the standard setting process have two positive results:

- Open communication reduces the risk of miscommunications and misunderstandings between IFAC and the standard setting boards on the one hand and the PIOB on the other.
- The PIOB observes all proceedings as they occur, eliminating delays in communication of actions and decisions.

TRANSFORMING PRINCIPLES INTO PRACTICE

An effective system of shared responsibility for standard setting must be able to bridge the divide between principles and practice. In this respect, it is necessary that there be internal policies and procedures to ensure that the principles upon which the system is designed are reflected in the way the organization actually operates and that cooperation with regulatory bodies is consistent and highly functional.

There are many means, structural and operational, through which IFAC has given effect to its role in the shared arrangements and has sought to put into practice the spirit as well as the letter of the shared system of responsibility for standard setting. The structural mechanisms include the following:

- IFAC’s Constitution and Bylaws clearly delineate the powers and roles of the IFAC Council and Board with respect to the standard setting boards and also confirm IFAC’s obligations to the PIOB.
- IFAC has clearly defined the types of documents that the standard setting boards issue. These document types are followed to ensure consistency and legitimacy. Examples include Standards, Good Practice Guidance and Exposure Drafts.
- The Terms of Reference for each of the standard setting boards provide a consistent articulation of the mission of each board, general meeting procedures, and rules.
- Roles and Responsibilities for Chairs of the standard setting boards are also outlined in separate documents.
- All of the above documents plus agenda and meeting minutes are publicly available on the IFAC website.
- The standard setting boards utilize the same web-based procedures (IFAC website) and protocols to disseminate exposure drafts, collect comments and publish documents.
- The annual Call for Nominations for IFAC Boards and Committees outlines the Nominating Committee’s targets for qualifications and regional and professional representation. Publication of this document ensures transparency and consistency in the nominations process.

Operational mechanisms include, amongst others, the internal culture of the organization, which emphasizes the public interest, and the performance management system. These mechanisms link individual performance to the elements of the Strategic Plan, which itself reflects the public interest.

CONCLUSION

The combination of structural arrangements and process elements, and in particular the role of the PIOB, is designed to ensure that international standard setting operates in the public interest. This paper has explained the principles which should be considered in the design of an international standard setting structure and the accompanying processes. It has also outlined how the present system of shared responsibility for standard setting has evolved and seeks to give effect to those principles.

At the same time, it must be recognized that shared responsibility for international standard setting is at a relatively early stage of development and the current arrangements can be expected to further evolve and develop with experience in their operation. Nevertheless, it is useful to be clear as to the principles that should govern further development.
This Policy Position has been prepared by IFAC.
The approved text of this Policy Position is published in the
English language.
For further information, please email: publicpolicy@ifac.org

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APPENDIX 1:

IFAC OVERSIGHT AND CONSULTATION

KEY:

ACCOUNTABILITY

OVERSIGHT

CONSULTATION/ADVICE

Source: Adapted from IFAC Reform Proposals September 2003.
IFAC INTERNATIONAL STANDARD SETTING PROCESS

THE PROCESS OF INTERNATIONAL STANDARD SETTING

PIAC

DEVELOPMENT (may also include public forums, consultation papers or field tests)

EXPOSURE DRAFT

FINALIZATION

APPROVAL

CAG

CONSULTATION AND INPUT

PIOB

COMPREHENSIVE MONITORING

REGULAR REPORTS

INDEPENDENT REVIEWS

PIOB DUE PROCESS APPROVAL

PUBLICATION

APPENDIX 2: ADOPTION OR ENDORSEMENT OF IFAC STANDARDS OF AUDITING, ETHICS AND EDUCATION

Summary of the use of International Standards on Auditing:

1. The latest IFAC survey indicates that more than 100 countries use auditing standards that are ISAs, either adopted as written or locally adapted, or national standards that are compared with ISAs to eliminate differences.

2. Many of the world’s major capital markets accept the use of ISAs for the audit of financial statements of foreign issuers. An IAASB survey indicates that 20 out of the 23 largest capital markets with overall market capitalization of 56% of the world total accept ISAs for this purpose.

3. In the United States, the Auditing Standards Board of the AICPA, which sets standards for unlisted companies in the United States, has resolved to bring its standards in line with ISAs.

4. The World Federation of Exchanges (WFE), representing 57 securities and derivative markets that account for more than 97% of world stock market capitalization, has endorsed the IAASB’s processes for standard setting and recognizes the importance of ISAs.

5. The FSF’s Compendium of Standards lists the various economic and financial standards that are internationally accepted as important for sound, stable and well-functioning financial systems. The FSF has identified ISAs as one of the 12 key standards for sound financial systems and deserving of priority implementation depending on country circumstances.

6. The World Bank, which jointly with the International Monetary Fund has instituted a program of Reports on the Observance of Standards and Codes (ROSC) by countries, uses ISAs as the benchmark for assessing the quality of national auditing standards.

7. In the public sector, the International Organization of Supreme Audit Institutions (the global organization for national level government auditors) uses ISAs as the basis for its Financial Audit Guidance.

8. The members of the FoF have committed to have policies and methodologies for the conduct of transnational audits that are based, to the extent practicable, on ISAs. In addition, IOSCO has recently stated its support for the work of the IAASB and the PIOB and continues to consider endorsement of the ISAs.

The Code of Ethics for Professional Accountants is also adopted, endorsed or strongly supported in approximately 100 countries. The FoF membership obligations require that members have policies and methodologies that conform to the IFAC Code of Ethics. Additionally, the World Bank ROSC program uses the IFAC Code of Ethics as the benchmark for assessing a national code of ethics.

International Education Standards are used by IFAC member bodies as a basis for determining their own education requirements, and through the Compliance Program are increasingly becoming the basis for the education of accountants and auditors. The World Bank ROSC program also uses the IFAC International Education Standards as the benchmark for assessing national systems of accounting education.