



**INTERNATIONAL FEDERATION  
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**Agenda Item**

**5**

**Committee** International Ethics Standards Board for Accountants

**Meeting Location:** Hilton, Arc de Triomphe, Paris

**Meeting Date:** June 23-24, 2010

**Monitoring Group Report**

**Objectives of Agenda Item**

1. To discuss the report issued by the Monitoring Group.

**Background**

The Monitoring Group has issued a Consultation Paper to seek input from interested parties to the Monitoring Group's preliminary conclusions resulting from its assessment of the implementation of the set of 2003 IFAC Reforms (the Reforms).

The Monitoring Group is composed of six members and one observer. The members are the Basel Committee on Banking Supervision (the Basel Committee), the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO) and the World Bank. The International Forum of Independent Audit Regulators (IFIAR) is an observer. The Monitoring Group is chaired by IOSCO. The Chair is currently the Vice Chairman of IOSCO's Technical Committee, who is Mr. Hans Hoogervorst. He is Chairman of the Executive Board of the Netherlands Authority for the Financial Markets.

The Reforms were issued in 2003 (Agenda Paper 5-B) and provided changes to the standard-setting, implementation, oversight and monitoring processes associated with producing International Standards on Auditing, the international Code of Ethics for Professional Accountants and International Education Standards. These changes were aimed at supporting investor confidence by increasing the quality of financial statement audits. As part of conducting its review of the implementation of the Reforms (the Effectiveness Review) the Monitoring Group has reviewed whether the provisions of the Reforms have been implemented and has identified some associated recommendations for additional changes.

The Monitoring Group report (Agenda Paper 5-A) contains 18 recommendations. Twelve of these refer to IFAC and its operations directly. The final six are focused on PIOB although obviously have IFAC implications. Comments on the Consultation Paper are requested by August 15, 2010.

An IFAC Task Force, chaired by Göran Tidstrom will develop an IFAC response to the report.

**Action requested**

IESBA members are asked to review the Monitoring Group Report contained in Agenda Paper 5-A and determine what points they would like to be conveyed to the IFAC Task Force for consideration for inclusion in the IFAC response.

**Material Presented**

Agenda Paper 5	This Agenda Paper
Agenda Paper 5-A	Review of IFAC Reforms – Consultation Paper
Agenda Paper 5-B	IFAC Reform Proposals