



International  
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# International Standards on Auditing – a cornerstone of governance and sustainability

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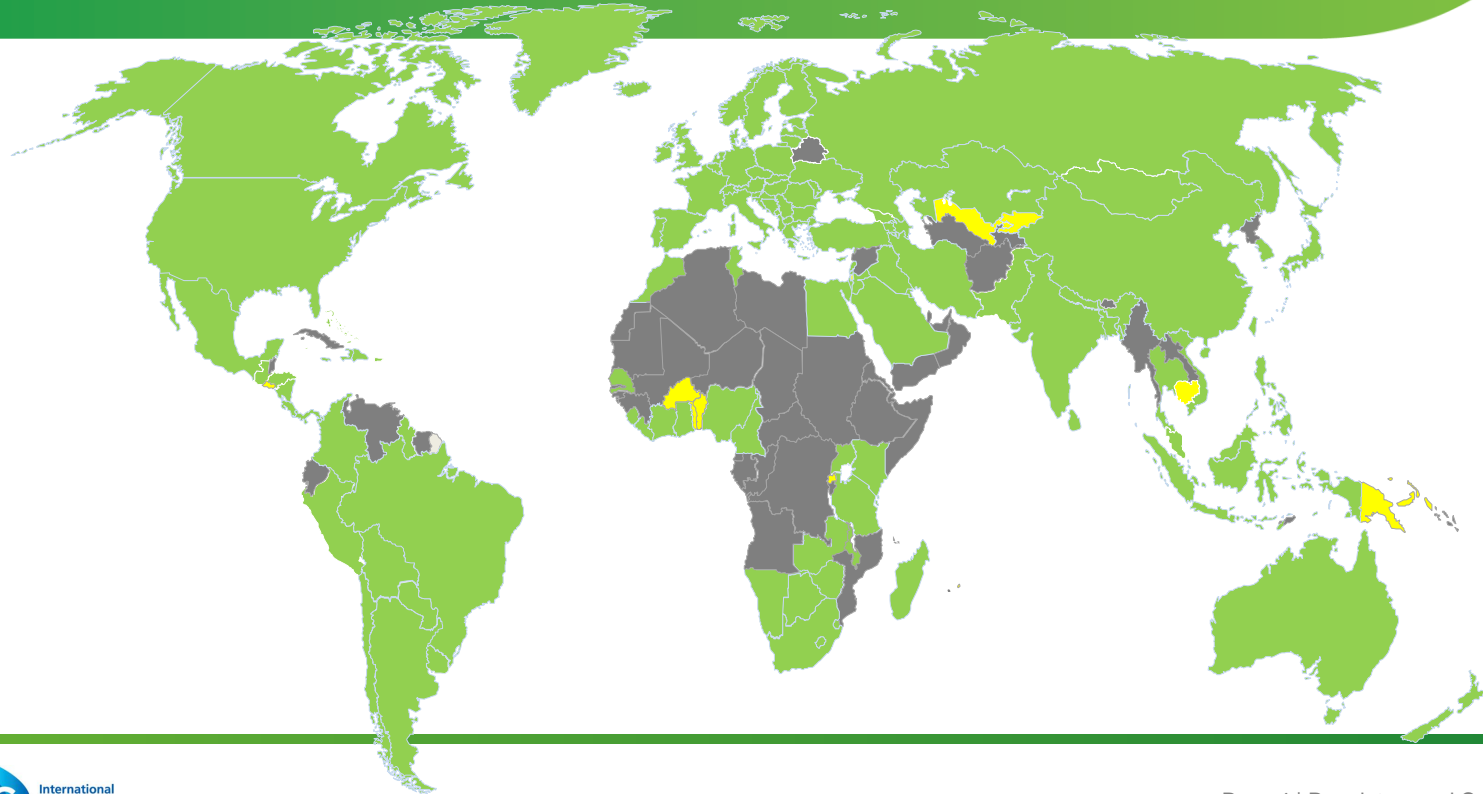
# Why do strong international standards on auditing matter?

- Trust and confidence
- Governance and sustainability
- Globalization
- Economic prosperity

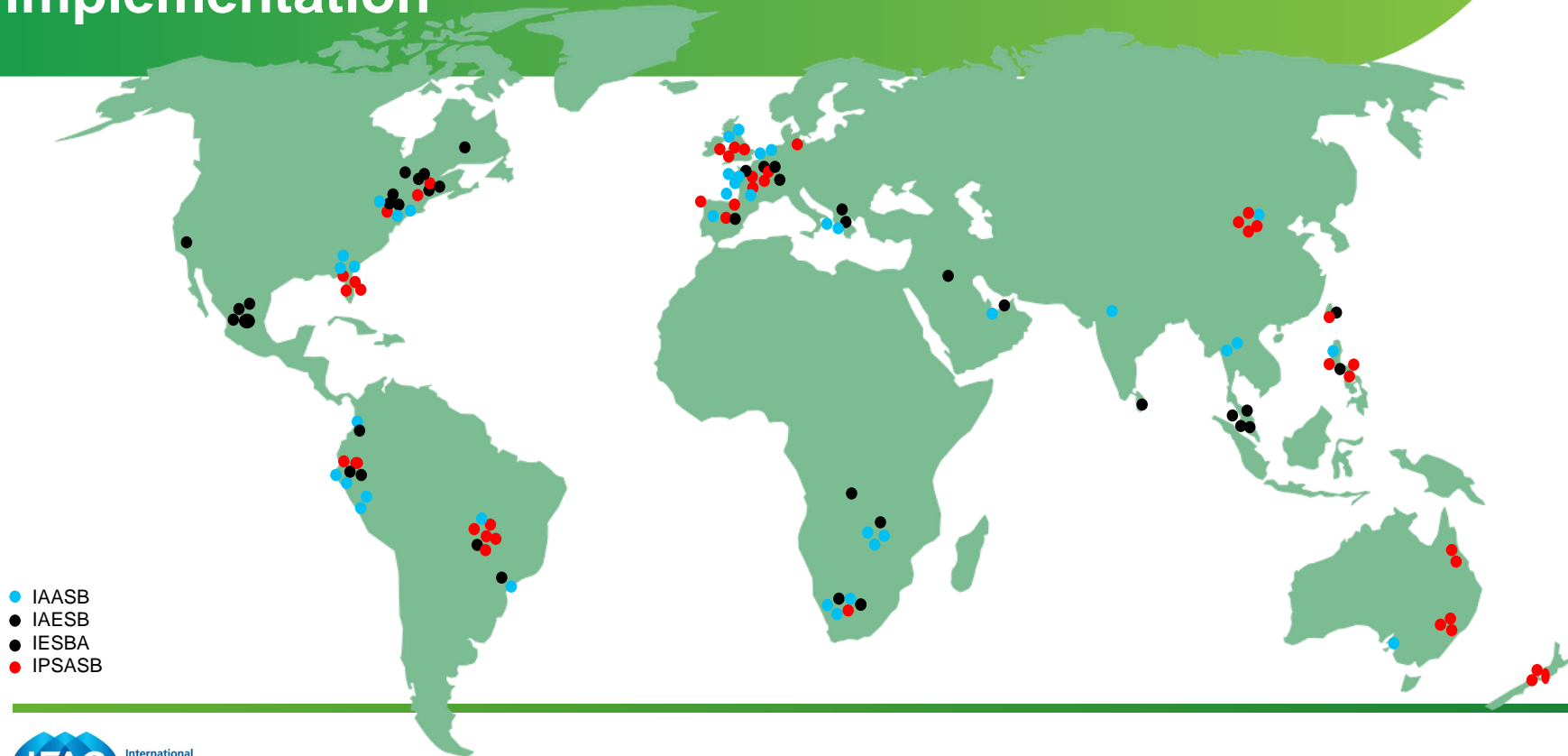
# The Current Standard-Setting Model – a pillar of strength in capital markets worldwide

- True shared model – no single stakeholder can exercise undue influence
- Standards for listed and private, large and small entities in diverse jurisdictions around the world
- Due process, independent public interest oversight

# International outreach, adoption and implementation



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# The Monitoring Group Proposals

- Vital to review and revise the standard-setting model periodically

## However...

- Must be based on clear evidence and accepted assumptions

# The Monitoring Group Proposals

- New standard setting entity not clearly explained
- Single standard-setting board for auditing and ethics
- Bifurcation of ethics standards
- Funding via a contractual levy on the audit firms
- Merges participation and public interest oversight
- No clarification of the key role of the PIOB

# Risks in The Monitoring Group Proposals

- Move away from a shared public-private model
- Risk of more rules-based, prescriptive standards
- Potentially major impacts on SMPs
- Impacts on geographic diversity
- Risk of reversion to more national-based standard setting
- Potentially significantly less cost effective
- Highly disruptive to standards' development



# Reforms that Build on Past Successes

1. Nominations arrangements
2. The role and operating processes of the PIOB be clarified
3. More explicit multi-stakeholder standard-setting boards
4. Funding arrangements
5. Optimum size of the standard setting boards
6. Retain separate standard-setting boards
7. Redesign processes and operations

# Your voice has to be heard

- The Monitoring Group Consultation Paper:  
<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD586.pdf>
- IFAC's Preliminary Views:  
<https://www.ifac.org/publications-resources/initial-views-and-reactions-monitoring-group-consultation-paper>