



## News & Events

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### Leaders of Accountancy Bodies Commit International Support to Developing Nations and Clarifying Professional Responsibilities

*(New York/February 10, 2005)* -- The International Federation of Accountants (IFAC), the global organization for the accountancy profession representing 163 accountancy organizations with more than 2.5 million accountants in public practice, education, government service, industry and commerce, convened a meeting in London this week with the chief executives of 30 member bodies and regional accountancy organizations. Representatives of the World Bank and the United Nations Conference on Trade and Development (UNCTAD) also attended the meeting. The group discussed a global agenda for enhancing the accountancy profession's contributions to economic growth and development.

Participants agreed that the international profession should strengthen accountancy in developing nations, address professional responsibility in financial reporting, clarify the role of accountants in corporate governance, provide support and guidance for professional accountants in business, and focus on supporting small and medium enterprises and practices.

"The international accountancy profession has a unique, critical and practical role to play in building stronger and more stable economies around the globe," emphasized IFAC President Graham Ward, who led the meeting. "Our discussions focused on how IFAC can best leverage its resources with member bodies and regional accountancy organizations and how we can partner with outside agencies to make real and measurable progress in this area."

The group unanimously agreed that the following actions need to be addressed:

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- Support more rapid development of narrative reporting to achieve greater transparency and more integrity in corporate reporting;
- Establish an international forum, addressing audit quality, with investors, regulators and others;
- Reinforce the role of professional accountants with respect to corporate governance, building on the work of the Organization for Economic Cooperation and Development (OECD) and the Task Force on Rebuilding Public Confidence in Financial Reporting\*;
- Clarify, communicate and promote the roles of professional accountants in business and provide them with practical guidance; and
- Make a long-term commitment to the development of the profession, focusing on the education of professional accountants, promotion of international standards, and the development of financial and management skills - all of which are necessary to a high quality profession that can effectively serve the public interest and meet investor needs.

In addition to this list of recommendations, during the meeting IFAC received support for several initiatives that are already underway:

- An international consultative conference, to be held in March, designed to better identify the needs of small and medium enterprises and practices and those of developing nations;
- The implementation of IFAC's new Member Body Compliance Program, which encourages convergence of and adherence to high quality professional standards by national accountancy institutes;
- Efforts to clarify the language of international standards to facilitate convergence; and
- The roles of IFAC's Developing Nations Permanent Task Force and Small and Medium Practices Permanent Task Force in international standard-setting processes.

President Graham Ward stated, "Achieving convergence to international standards is one of IFAC's most fundamental goals and is central to our mission of protecting the public interest. A lack of convergence creates confusion, encourages errors and facilitates fraud." Member bodies and regional accountancy organizations indicated their commitment to achieving convergence to international standards on accounting and auditing and expressed their dedication to supporting developing countries in establishing a profession based on

internationally recognized competencies and standards.

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the worldwide accountancy profession and contributing to the development of strong international economies. The organization sets international standards of ethics, auditing and assurance, education and public sector accounting and issues benchmark guidance and studies to encourage high quality performance by professional accountants in business.

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#### **Note to Editors**

The Task Force on Rebuilding Public Confidence in Financial Reporting was commissioned by IFAC to conduct an international study on the causes of the loss of credibility in financial reporting and to recommend courses of action to restore credibility. The task force, chaired by John Crow, former Governor of the Bank of Canada, issued its final report in August 2003. The report, which may be downloaded from the IFAC website ([www.ifac.org](http://www.ifac.org)), includes recommendations on principles of best practices in the areas of financial reporting, corporate governance, corporate disclosure, and auditor performance.

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