

## News & Events

### Latest News

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#### IFAC Supports OECD Principles of Corporate Governance

*(New York/April 30, 2004)* -- The International Federation of Accountants (IFAC) welcomes and supports the Organization for Economic Cooperation and Development's (OECD's) revised Principles of Corporate Governance. The new principles, approved by the OECD's 30 member countries, are designed to strengthen corporate governance practices in companies around the world. The revised principles urge strengthened transparency and disclosure to protect investors and to strengthen capital markets.

"The OECD Principles of Corporate Governance are an extremely important element of the international financial system. IFAC agrees with the OECD's assertion that corporate governance is a key element of improving economic efficiency and growth, and strongly supports the position that corporate governance practices internationally should be based on the principles. Convergence to a common set of principles benefits investors and other stakeholders," comments IFAC President René Ricol.

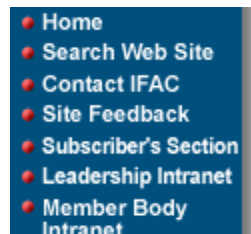
The principles also emphasize that auditors should be accountable to shareholders, not management, and that boards of directors should effectively oversee the financial reporting function, ensuring that appropriate systems of control are in place. The

OECD document also identified the need to ensure audit competence in all countries.

IFAC supports this and in recent months has issued new and strengthened quality control standards addressing both audit firms and individual audit engagements and has published a report on enterprise governance containing recommendations to strengthen corporate performance.

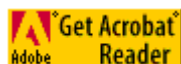
The revised principles are the result of a consultation process involving representatives of OECD and non-OECD governments, international standard-setting bodies, including IFAC, as well as businesses, professional bodies, trade unions and civil society organizations.

IFAC Deputy President Graham Ward, who represented IFAC during the consultation process, adds: "Consistent with the independent task force report [Rebuilding Public Confidence in Financial Reporting](#), IFAC believes that all parties in the supply chain for financial reporting, which encompasses management and their advisers - including lawyers, bankers and analysts - should have a legal duty to act in the public



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interest with respect to the provision of financial statements. The OECD principles recognize the responsibilities of boards of directors and management and endorse two concepts strongly espoused by IFAC: transparency and accountability in all disclosures."

To download the OECD principles, go to <http://www.oecd.org/document>.

The International Federation of Accountants (IFAC) is dedicated to serving the public interest, strengthening the worldwide accountancy profession, and contributing to the development of strong international economies. Its current membership consists of 158 professional accountancy bodies in 118 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. The organization sets ethics, auditing and assurance, education, and public sector accounting standards.

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