



MEMBER BODY COMPLIANCE PROGRAM

The International Federation of Accountants' (IFAC) Member Body Compliance Program supports the development of high quality auditing, accounting, ethical, educational, and related quality assurance and investigation and disciplinary standards.

**An overview
of the IFAC
Member Body
Compliance
Program and
the role of the
Compliance
Advisory Panel**

Objective

The objective of the IFAC Member Body Compliance Program is to support IFAC members and associates in developing and incorporating the standards of IFAC and the International Accounting Standards Board (IASB) into national standards and, thereby, encourage professional accountants' compliance with these standards. The compliance program provides a fundamental means for supporting members and associates in enhancing the quality of practice by accountants worldwide and achieving convergence to international standards.

IFAC Membership Obligations

The Statements of Membership Obligations (SMOs) establish IFAC's membership requirements and serve as the foundation of the Member Body Compliance Program. The SMOs require members and associates to use their best endeavors when promoting, incorporating and implementing IFAC and IASB standards, including monitoring of their members through quality assurance and investigation and discipline programs.

Collaboration with Regional Bodies and Development Agencies

The objectives of the Member Body Compliance Program are shared by regional accountancy organizations and key stakeholders, including international and regional development agencies and development banks. IFAC collaborates with these organizations to share information and identify potential solutions to address the challenges faced by the accountancy profession in developing and emerging economies. Regional accountancy organizations also assist in the implementation of the compliance program.

Compliance Program: Components and Process

There are three components to the program:

- **Part 1 — Assessment of the Regulatory and Standard-Setting Framework.**
This fact-based questionnaire sought to understand IFAC members' and associates' standard-setting frameworks for auditing, private and public sector accounting, ethics, and accounting education and certification. The questionnaire also served to understand the regulation of the profession in each country. Responses may be viewed in the Compliance Program section of IFAC's website (<http://www.ifac.org/complianceprogram>).

Statements of Membership Obligations

- **SMO 1** — Quality Assurance
- **SMO 2** — International Education Standards for Professional Accountants and Other IAESB Guidance
- **SMO 3** — International Standards, Related Practice Statements and Other Papers Issued by the International Auditing and Assurance Standards Board
- **SMO 4** — IFAC Code of Ethics for Professional Accountants
- **SMO 5** — International Public Sector Accounting Standards and other IPSASB Guidance
- **SMO 6** — Investigation and Discipline
- **SMO 7** — International Financial Reporting Standards

- **Part 2 — SMO Self-Assessment Questionnaire.**

This questionnaire required members and associates to complete a self-evaluation with respect to each area covered by the SMOs and the nature and extent to which the requirements have been addressed. Part 2 responses are posted on the IFAC website, together with responses to Part 1, once agreed with the member or associate.

- **Part 3 — Development of Action Plans.**

The results of Parts 1 and 2 will form the basis for identifying specific challenges and impediments faced by members and associates in meeting the requirements of SMOs. This information will be used to develop action plans to assist members and associates in addressing these challenges and maintaining their good standing in IFAC.

The SMOs recognize that in each jurisdiction the roles and responsibilities of IFAC members and associates and the respective country regulatory mechanisms differ. As a result, a member's or associate's obligations must be evaluated in the context of their environments.

Transparency and Oversight

In the interest of transparency and sharing information relevant to the public interest, responses to the compliance assessments, once agreed with members and associates, are made available through IFAC's website. The Public Interest Oversight Board oversees the IFAC Member Body Compliance Program and other public interest activities of IFAC.

Role of the Compliance Advisory Panel

The Compliance Advisory Panel was established in November 2003 to oversee the IFAC Member Body Compliance Program and IFAC membership matters. The panel's primary activity is to oversee the implementation and operation of the compliance program and make membership recommendations to the IFAC Board. The panel consists of a chairman and four members, representing five geographic regions. A complete list of the Compliance Advisory Panel members along with their biographies is available on the panel's website: <http://www.ifac.org/compliance>.

Compliance and membership activities are the responsibility of IFAC Compliance Staff who report to the Chief Executive.

About IFAC

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 159 members and associates in 124 countries and jurisdictions, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. The organization, through its independent standard-setting boards, sets international standards of ethics, auditing and assurance, education and public sector accounting. It also issues guidance to encourage high quality performance by professional accountants in business.

Contact Information

For more information about the Compliance Advisory Panel and its current projects, please visit its website at <http://www.ifac.org/compliance> or contact Russell Guthrie, Director, Quality Assurance and Member Body Relations by telephone: +1 (212) 471-8708 or email: russellguthrie@ifac.org; or Sylvia Barrett, Deputy Director, Member Body Development, by telephone: +1 (212) 286-9563 or email: sylviabarrett@ifac.org.



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