

Public consultation on the governance of the Monitoring Group,
the PIOB and the standard setting boards and Compliance
Advisory Panel operating under the auspices of IFAC

Additional CIPFA response on IPSASB monitoring and governance

28 June 2012

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

Our ref: Responses/120628 SC0181

The Monitoring Group
c/o International Organisation of Securities Commissions
Calle Oquendo 12
28006 Madrid
Spain

By e-mail: Piob-MonitoringGroup@ipiob.org

Dear Sir / Madam,

Public consultation on the governance (with special focus on organisational aspects, funding, composition and the roles) of the Monitoring Group, the PIOB and the standard setting boards and Compliance Advisory Panel operating under the auspices of IFAC

Introduction

1. As a member of the UK Consultative Committee of Accountancy Bodies, CIPFA has submitted a joint overall response together with the ICAEW, ICAS and Chartered Accountants Ireland to this public consultation. We fully support this joint response but wish to expand on a number of points in relation to question 4 in the consultation document.

Additional Response to Specific Question 4: Would you support the IPSASB being subject to PIOB oversight? Why? What conditions, if any, would you impose on such oversight? Would you see as a factor to take into account the fact that IPSASB deals with accounting rules instead of auditing ones?

2. In line with the joint response, we support the IPSASB being subject to PIOB oversight. However we would like to emphasise the need for careful consideration of the future composition of PIOB.
3. We understand that the role of the PIOB will be to oversee the processes of the IPSASB, rather than the technical content of the standards (where the role of the Consultative Advisory Group will be significant). Nevertheless, in undertaking its oversight role, there will be a need for PIOB to form a view on whether IPSASB's processes are successfully identifying and appropriately addressing key public sector issues and views raised by stakeholders. This will require an appropriate level of understanding of the public sector from those PIOB members undertaking the oversight role for IPSASB. Although some existing PIOB members have relevant experience, it will be important that this new requirement is expressly factored into the recruitment of the additional PIOB members required to fulfil the Board's expanded remit.



INVESTOR IN PEOPLE

4. The second matter we would like to highlight is the potential interaction with Eurostat's consideration of the suitability of IPSAS for implementation in EU member states. CIPFA believes that it is important that revisions to IPSASB's governance arrangements do not create an unnecessary barrier to IPSAS adoption throughout the European Union. We would therefore recommend that the Monitoring Group engages with Eurostat before it finalises its report in December 2012 to ensure that the oversight arrangements finally proposed will not impact adversely on their recommendations.

Yours faithfully

A handwritten signature in black ink, appearing to read 'I. Carruthers', followed by a period.

Ian Carruthers
Policy and Technical Director

E: ian.carruthers@cipfa.org.uk
T: 020 7543 5676