



**International Federation
of Accountants**

November 15, 2007

**Call for Nominations/Applications:
Chair of the International Auditing and
Assurance Standards Board**

An Official Notice for the General Public

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Overview

The *Call for Nominations/Applications: Chair of the International Auditing and Assurance Standards Board (IAASB)* is an official notice for the general public outlining the requirements and job description of the IAASB Chair. The Chair is a full-time position, independently contracted and remunerated by IFAC and appointed by the IFAC Board for a three-year term.¹ The IAASB Chair reports to the IFAC Chief Executive Officer and the IFAC Board. The IAASB Chair will be appointed for the term of January 1, 2009 – December 31, 2011.

The IAASB

The objective of the IAASB is to serve the public interest by setting, independently and under its own authority, high quality standards on auditing, quality control, review, other assurance and related services. It is also dedicated to facilitating the convergence of national and international standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in financial reporting. To learn more about the IAASB, please visit <http://www.ifac.org/IAASB/>.

IAASB Chair: General Roles & Responsibilities

The role of the IAASB Chair is especially important since the Chair must achieve results while maintaining harmony among members' views and following due process. The IAASB Chair fulfills several interrelated roles:

Leader of the IAASB

The Chair provides leadership to the IAASB in the conduct of its activities. The Chair works closely with the Executive Director of Professional Standards to achieve the various goals of the IAASB. The Chair leads the strategic direction for the IAASB and, at the same time, facilitates the consultative process that underlies the credibility of the IAASB and its activities. The maintenance of a public interest focus in the activities of the IAASB is a critical element of the leadership role of the Chair. The Chair (with the Executive Director of Professional Standards) oversees the efficient use of resources and effective achievement of IAASB goals and objectives. The Chair is also responsible for keeping the international Public Interest Oversight Board (PIOB) fully informed, including the appropriateness and completeness of the work program. As leader of the IAASB, the Chair's responsibilities include:

- Providing leadership in the development and implementation of strategic objectives, initiatives and action plans taking into account the views of the IFAC Board, PIOB, Consultative Advisory Group (CAG) and IAASB.

¹ The standard term for the Chair is 3 years renewable, subject to the approval of the Board and the PIOB, for one further period of 3 years. The Chair of the IAASB can serve for a maximum of 6 years.

- Leading the IAASB towards achievement of its strategic objectives and ensuring the output of the IAASB is of high quality (including compliance with due process) and meets the expectations of stakeholders.
- Actively identifying and evaluating the impact of emerging issues bearing on the profession in order to provide direction to the work of the IAASB.
- Providing direction in the establishment of policies, as necessary, and, with the Executive Director of Professional Standards, overseeing management of the resources available to the IAASB, for example, in clearly defining the mandate and accountabilities of committees and individuals that facilitate the functioning of the IAASB, such as the Steering Committee, Task Forces and others.
- Chairing IAASB meetings and ensuring they are conducted properly. This responsibility includes, among others:
 - Approving the agenda and minutes/highlights prior to distribution;
 - Encouraging and promoting open, candid discussions and debate;
 - Ensuring members' views are duly considered and conclusions are mutually agreed upon;
 - Effectively using time by prioritizing issues; and
 - Ensuring proper meeting procedures are administered.
- Pro-actively leading debate and seeking consensus, where possible, on solutions relating to contentious matters being addressed by the IAASB, and bringing to bear the necessary technical expertise on significant matters.
- Assessing the performance of the IAASB and its members on an annual basis and reporting thereon (in conjunction with the Executive Director of Professional Standards) to the IFAC Board. The Chair should also communicate the findings of the evaluation and provide constructive feedback on the assessment to IAASB members.
- Reporting to the Board on IAASB progress and plans on a regular basis.

IAASB Spokesperson and Representative

The Chair acts as the primary spokesperson for the IAASB on behalf of IFAC, enabling, encouraging, and promoting a deeper understanding by stakeholders and the public of the strategies, objectives and activities of the IAASB and of the role and significance of International Standards on Auditing (ISAs). As IAASB spokesperson and representative, responsibilities include:

- Actively promoting the identity, objectives, activities and output of the IAASB in the media, public forums and other meetings with IFAC and IAASB stakeholders.
- Encouraging and promoting the convergence of national and international standards.
- Establishing and developing effective relationships with stakeholders such as national standard setters, regulators and the International Organization of Supreme Audit Institutions (INTOSAI).

- Representing the IAASB in the development of its annual report and other official public documents.

Liaison

The Chair is the key representative of the IAASB and acts (in conjunction with the Executive Director of Professional Standards) as the primary liaison with the IFAC Board and with other IFAC boards and committees, with the PIOB, with national standard setters and with other key stakeholders, ensuring the views of the IFAC Board and the IAASB are appropriately aligned, represented and communicated, consistent with the IAASB's independence as a standard setter. In this role they will:

- Establish and develop effective relationships with key stakeholders, such as national standard setters, regulators, etc.
- Ensure appropriate liaison takes place with other IFAC boards and committees.
- Actively participate in meetings of Chairs, IFAC Officers and attend the annual Council meeting.
- Attend other IFAC Board and management activities as considered appropriate.
- Facilitate communication and liaison channels between the IAASB and IFAC Board.
- Ensure the views of both Boards are effectively communicated, and actively manage and resolve actual or potential conflicts as they may arise.
- As appropriate or at the request of the IFAC Board, represent the IAASB at other external meetings.

Reporting Responsibility

- The Chair reports to the IFAC Chief Executive Officer and to the IFAC Board and will undergo annual performance reporting.
- The Chair reports to the PIOB in relation to all aspects of the IAASB's activity.
- The Chair is appointable by the IFAC Board with the approval of the PIOB.

Proposed Strategic Direction: 2009 - 2011

In October 2007, the IAASB issued a consultation paper on its proposed strategy for 2009 – 2011. According to the consultation paper, the IAASB plans to promote the acceptance of ISAs as an appropriate benchmark of audit quality by the world's capital markets and facilitate the implementation of ISAs consistent with the role of an international standard setter. In this context, the IAASB proposes that its future strategy focuses on three broad objectives:

- Contributing to the effective operation of the world's capital markets;
- Assisting with the implementation of standards; and
- Addressing the needs of small and medium sized enterprises (SMEs).

In terms of the first objective, the IAASB recognizes that the effective operation of the world's capital markets remains a matter of high public interest. Therefore, it intends to continue to make auditing standards its first priority. As part of this priority, the IAASB also intends to consider the effect of developments in technology, such as XBRL, on financial reporting.

In addition, the IAASB recognizes that efficient international capital-raising requires information that is understandable across borders, wherever users are based. To address this, the IAASB plans to develop assurance standards for those services most relevant to the world's capital markets. It will continue to make the case for the acceptance of ISAs by market regulators for use in cross-border offerings and the continuing reporting obligations of foreign issuers. The IAASB will also consider how it can contribute to the development of corporate sustainability reporting in order to meet the expectations of international investors.

In terms of the second objective, the IAASB recognizes that the effective implementation of standards is as important as their development, and that it has an important role to play in addressing the practical implementation challenges experienced by those countries that have adopted, or are adopting, ISAs. In doing so, the IAASB plans to work jointly with other IFAC boards and committees, IFAC member bodies, regional professional accountancy organizations, the Forum of Firms, national standard setters, regulators and development agencies.

Finally, the IAASB plans to address the needs of SMEs *inter alia* by exploring, in consultation with other interested parties, the concept of an alternative assurance service that is clearly distinguished from an audit, yet designed to meet the needs of stakeholders of SMEs.

Criteria and Selection Process

In order to determine the best candidate for the position, the Nominating Committee will look for a number of qualities with respect to professional skills, experience and leadership.

Criteria

The successful candidate should have very significant and senior experience and will be well recognized within the accountancy profession. He or she will have effective leadership, communication and strategic skills; demonstrated technical and professional competency; and a commitment to the IAASB and its mission to protect the public interest. Only individuals who possess the highest integrity will be considered. In addition, the following criteria apply for selection of an IAASB Chair:

- Integrity, objectivity and discipline
- Commitment to the IFAC and IAASB missions and the public interest
- Effective leadership and strategic skills
- Effective facilitation and communication skills and ability to listen and consider the views of others
- Strong understanding of current and emerging issues
- Effective public-speaking skills

- Effective time-management skills
- Strong established bonds with key constituents and stakeholders
- Effective networking and relationship building skills
- Demonstrated technical and professional competency
- Strong analytical and negotiating skills
- Outputs-focused
- Consultative and judicious decision-making
- Ability to promote and work in a collegial atmosphere

Prior to appointment, the IAASB Chair must consent to the general principle and specific rules, indicated below, that establish an appropriate degree of independence from the accounting profession, former and potential employers, and in relation to other professional arrangements.

General Principle

The Chair shall sever all employment relationships with current or former employers and shall not hold any position giving rise to incentives or conflicts of interest which might call into question their independence of judgment in setting auditing standards.

Specific Rules

The specific rules which are intended to reinforce or clarify the principle are:

1. Secondments and any pre-appointment right to return to an employer² would not be permitted;
2. On completion of his/her term as chair, there would be a cooling off period of two years, during which time the candidate would refrain from interaction with the IAASB, unless such interaction were at the specific request of the new Chair;
3. The appointee would sign a public declaration, which, in addition to affirming the general principle and rules 1 and 2 above, would assert that:
 - The Chair will act in the public interest and with integrity in discharging the responsibilities of his/her role as chair of the IAASB; and
 - The Chair will serve the IAASB to the best of their abilities while not submitting to improper influence from any source, whether firm, organizational, national, regional or other;
4. The IAASB Chair would not, from the date of announcement of his or her appointment to the date of completion of his or her term, enter any negotiation in respect of employment subsequent to his/her term as Chair which, in the opinion of either the IFAC Board or the PIOB, would impair or be perceived to impair the independence of the Chair.

² For the purposes of this requirement, a partner in an accounting firm shall be regarded as an employee, and the firm the employer.

Selection Process

Candidates must submit their CV via email to IAASBChair2009@ifac.org between November 15, 2007 and February 15, 2008. **All nominations must be submitted no later than February 15, 2008.**

The Nominating Committee will aim to conduct its review of IAASB Chair candidates from February 15, 2008 until April 30, 2008. By that time, the Committee should have notified all candidates of their status, several of whom will be selected for a short-list. The Nominating Committee will conduct interviews of short-listed candidates only. Official notification will not be provided to short-listed candidates until July 1, 2008.

Even though the term for the IAASB Chair must commence on January 1, 2009 the contract may begin as early as November 1, 2008, in order to provide time for orientation into the position.

Further Questions

Should you have any questions concerning the *Call for Nominations/Applications: Chair of the International Auditing and Assurance Standards Board*, please contact Eli Khazzam via email at IAASBChair2009@ifac.org, by phone at +1(212) 471 8716 or by fax at +1(212) 286 9570.