The Members of the International Forum of Independent Audit Regulators (IFIAR) ¹

Aspiring to serve as the leading international body on matters relating to audit regulation and oversight as well as a respected global authority on audit quality issues;

Sharing the common goal of serving the public interest and enhancing investor protection by improving audit quality globally, including through independent inspections of auditors and/or audit firms; and

Concluding that benefits can be derived from certain activities that are undertaken cooperatively and collectively through an international forum;

Resolve that this Charter sets out the common goals of IFIAR and the guiding principles and rules with respect to its activities and organizational arrangements in furtherance of those goals.

Section 1 – Activities of IFIAR

1.1 IFIAR will undertake such activities as deemed appropriate by its Members, including:

a) Sharing knowledge of the audit market environment and practical experience of independent audit regulatory activity with a focus on inspections of auditors and audit firms;

b) Promoting collaboration and consistency in regulatory activity;

c) Initiating and leading dialogue with other policy-makers and organizations that have an interest in audit quality; and

¹ See www.ifiar.org/members.
d) Forming common and consistent views or positions on matters of importance to its Members, taking into account the legal mandates and missions of individual Members.

1.2 Any views or positions adopted by IFIAR shall not be binding on its Members and Associates. Where Members have differing views, if required or appropriate, this should be communicated externally.

Section 1a – Definitions

a) *Associate* is a regulator that meets the Associate membership criteria and is approved per Section 2.2 as an Associate of IFIAR and as an associate member of the Association. An Associate doesn’t have voting rights.

b) *Association* is the International Forum of Independent Audit Regulators Association as established under the Japanese *Act on General Incorporated Associations and General Incorporated Foundations*;

c) *Board* is the board of IFIAR comprised of nominated members and elected members pursuant to Section 4;

d) *Chair* is an Officer of IFIAR elected pursuant to Section 4.12 and a representative Director of the Association;

e) *Vice-Chair* is an Officer of IFIAR elected pursuant to Section 4.12 and a representative Director of the Association;

f) *Director* is a natural person mentioned in Article 16 of the Articles of Association;

g) *Executive Director* is the person mentioned in Section 6.2;

h) *General Assembly* is a body of the Association and composed of all the Members of the Association;

i) *Member* is a member of IFIAR and a member of the Association and is:

   i. a regulator that meets the criteria in Section 2.1 and is approved in accordance to Section 2.3; or

   ii. two or more regulators together from the same jurisdiction that meet the criteria in Section 2.1 and are approved according to Section 2.3 in conjunction with Section 2.4;

j) *Officers* are the persons mentioned in Section 5.2 and are the Chair and Vice-
Chair of IFIAR and the Association;

k) Secretariat is the secretariat of IFIAR as mentioned in Section 6.1;

l) Task Forces are the task forces created by the Board pursuant to Section 5.1.b;

m) [intentionally deleted]

n) Working Groups are the working groups that are approved by the Members on recommendation of the Board pursuant to Section 5.1.b.

Section 2 – Membership of IFIAR

2.1 Membership shall be open to regulators that are both:

   a) Independent of the audit profession. The audit profession includes, for example: audit firms, professional bodies and bodies or entities associated with the audit profession. Indicators of independence from the profession include:

      i. A majority of the relevant governing body are non-practitioners (with an appropriate cooling off period for former auditors); and
      ii. Funding of the regulator is free of undue influence by the audit profession; and

   b) Engaged in audit regulatory functions in the public interest, and, in particular:

      i. Ultimately responsible for the system of recurring inspection of audit firms undertaking audits of public interest entities, including regulatory measures taken as a result of inspections; and
      ii. Exercising that responsibility either directly or through independent oversight.

2.2 Applicant regulators who meet IFIAR’s membership requirements in Section 2.1 a), and which have due authority in their jurisdiction with respect to the membership requirements in Section 2.1b) but have not yet actively implemented the system contemplated under Section 2.1 b) i. or the exercise of responsibility contemplated under Section 2.1 b) ii. can apply for a status of Associate with IFIAR. The status of Associate shall not exceed four years and shall only be available to non-Members and only available for a single term. If the application is accepted, Associates will be required to pay an annual fee
IFIAR Charter  
As approved on April 25, 2022

(pro rata in the first year depending on admission date). Associates may participate in IFIAR plenary meetings and workshops and receive ordinary IFIAR communications. Beyond that, Associates shall have no membership rights such as voting rights, the right to participate in Working Groups or to serve on the IFIAR Board; beyond the foregoing or as otherwise specified herein, other rights to participate in IFIAR activities will be decided on the relevant merits on a case-by-case basis by the Members, Board or Officers of IFIAR, as appropriate. At any time that the Associate is assessed by the Officers as meeting all the membership requirements in Section 2.1 and then approved by the Board to become a Member, the Associate shall pay full dues, pro-rated for the remaining period of the financial year, and that Associate will thereafter be a Member.

2.3 The Board will review applications for IFIAR membership in accordance with Sections 2.1, 2.2 and 5.1.c. If the Board determines that a membership application meets the relevant membership criteria and presents no issues or concerns, the Board shall give notice to Members of its recommendation to approve the application. Unless a Member objects within one month after that announcement, the Board will take note of the consensus to approve the applicant as a Member or as an Associate. If there is any objection, the Board will organize a vote by the Members, either at the next plenary meeting or by written procedure between plenary meetings.

2.4 In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3, they together are considered as one Member or Associate.

2.5 If a Member or Associate ceases to continue to meet the membership criteria outlined in Section 2.1 or 2.2, as the case may be, this may also lead to suspension and possible termination of membership.

2.6 IFIAR recognizes the value of exchanging ideas and information with organizations that have demonstrated an interest in the integrity of the financial reporting system and the quality of audits through their activities or mandate. Accordingly, if approved by the Members in accordance with Section 3, IFIAR will extend invitations of observership to such organizations.

2.7 Observers will be invited to attend all plenary meetings, recognizing that the Chair may close portions of the meetings to observers or Associates for discussion by the Members of confidential supervisory matters or sensitive internal issues.
2.8 In consultation with the Board, the Officers may invite on an ad hoc basis, any organization that is not a Member or Associate to all or part of a particular plenary meeting or to IFIAR-sponsored workshops. Such invitees will be treated as observers for only that meeting or workshop to which they are invited.

2.9 Any Member that wishes to terminate their membership must notify the Officers in writing at least one year in advance of the intended date of termination and is therefore required to pay the full following year’s membership fee.

Section 3 – Decision making arrangements

3.1 Decisions shall be made by consensus whenever possible. When it is not possible after reasonable efforts to reach a consensus, a decision may be taken by vote as set forth below:

a) Decisions by vote shall normally be made during plenary meetings but, when needed, may be made by written procedure according to the provisions of Section 3.6.

b) There is only one vote per Member/jurisdiction. In case of a situation referred to in Section 2.4, the regulators shall coordinate their vote prior to voting.

c) A quorum for the conduct of business in plenary meetings, including decisions by vote, shall consist of two-thirds of the Members. Members without voting rights are not included in the count for the determination of the quorum.3

d) The election of Officers, as set forth in Section 4, shall require a simple majority of all those Members present and voting in a plenary meeting at which a quorum is present, or by written procedure in accordance with Section 3.6 and 4.12.c and/or d.

e) The election of elected Board members, as set forth in Section 4.4 shall require a plurality of all those Members present and voting at a plenary meeting at which a quorum is present, meaning that the candidates who

---

2 Consensus means that the Officers have determined that there is either unanimous Member support in favour of adoption of a proposal or, alternatively, that there is no objection by any Member to such adoption.

3 Pursuant to Sections 9.6, 2.5 and 2.2, respectively, a Member that is in arrears of its dues, a suspended Member and an Associate are not authorized to vote.
receive the most votes shall fill the open position(s).

f) Where there is no consensus, all other decisions taken by vote shall require the consent of at least 90 percent of the: 1) Members present and voting at a plenary meeting at which a quorum is present when the vote takes place at such meeting; or 2) Members voting when the vote is done by written procedure in accordance with Section 3.6.

3.2 The Members shall decide upon the following:

a) The application of a new Member or a new Associate in case an objection has been brought forward in accordance with Section 2.3;

b) The suspension or termination of a Member or Associate;

c) The acceptance of observers as set forth in Section 2.6;

d) The IFIAR Strategic Plan;

e) The Board’s recommendation to create, suspend or dissolve Working Groups;

f) Any substantive changes to the terms of reference for Working Groups;

g) IFIAR’s fee structure as set forth in Section 9.3;

h) IFIAR’s annual budget and fee levels as set forth in Section 9.4;

i) Communicating views or positions, subject to the provisions of Section 3.4;

j) Joining any other organization as a member or observer;

k) The election of the elected members as set out in Sections 4.4 and 4.5;

l) The confirmation of the determination of nominated members as set out in Sections 4.6 and 4.7;

m) The election of the Chair and the Vice-Chair in accordance with Section 4.12;

n) All other decisions that are not delegated to the Board or the Officers, and that remain with the Members according to Section 5.3; and

o) All decisions on which the Board did not reach a consensus as mentioned in Section 4.10, except for personnel matters as mentioned in Section 5.1.a;

p) All matters under the Articles of Association for which the Members (as the General Assembly under the Association) are ultimately responsible.
3.3 An abstention from a vote or a vote against a proposal by any Member(s) will be duly noted in the document in which views or positions are recorded, if requested by such Member(s).

3.4 When IFIAR expresses a position either by consensus or pursuant to the voting provisions of Section 3, such position will be expressed in accordance with the Communication Policy in effect at the time the position is expressed.

3.5 If the Members have agreed to a proposal at a plenary meeting subject to the subsequent approval of the governing body of one or more of those Members, then the proposal shall be adopted as of the earlier of the date all such Members seeking such approval have provided written notice of the approval or the date occurring three months after the decision has been agreed.

3.6 Votes by written procedure shall be carried out at the discretion of the Officers, after consultation with the Board. Votes by written procedure shall be carried out in a manner to be prescribed by the Officers, taking into account the need to give Members a reasonable time to review the matter on which the vote is being taken. The Officers, in consultation with the Board, may extend a voting period once. Two-thirds of the Members must participate by providing a vote prior to the stated deadline to constitute a quorum. Members without voting rights are not taken into account for determining the quorum.

Section 4 – IFIAR Board and Officers

4.1 IFIAR shall have a Board of up to 16 members that will carry out such duties as are delegated to it in Section 5. The Board shall be composed of 8 “nominated members” and up to 8 “elected members” elected from the entire eligible membership of those that are not nominated members. Board seats are held by a Member and not by an individual. If a Board member is a Member that is comprised of multiple regulators as mentioned in Section 2.4, that Board member should coordinate with all regulators in its jurisdiction.

4.2 In order to qualify for Board membership, any prospective Board member (whether nominated or elected) must have the following general qualifications:

a) have been a Member of IFIAR for at least four (full) years prior to the election. For the avoidance of doubt, time spent as an Associate does not count towards fulfilling the four-year requirement;

b) have been current in its payment of IFIAR dues during each of the four years prior to the election;
c) agree to send representatives to Board meetings who are independent of the audit profession and to keep meeting materials confidential from those who are not independent; and

d) during each of the four years prior to the election, must have participated in the work of IFIAR and its Working Groups, based on the following:

i. Regular attendance at plenary meetings, Inspection Workshops and meetings of the Working Group(s) in which the Member participates;

ii. Regular and timely response has been made to IFIAR surveys and votes by written procedure.

4.3 A determination of which Members will serve as nominated members shall be based on a point system in which those Members meeting the qualifications of Section 4.2 and receiving the largest number of points will be invited to serve. Nominated members may accept or reject the invitation within thirty days after receiving the invitation. The acceptance or rejection should be made in writing to the Officers. In the case of a rejection, the vacancy will be filled by the Member with the next highest number of points. The Member that rejects the invitation to become a nominated member cannot become an elected member for that four-year Board term for nominated members. The final determination is subject to confirmation by the Members as set out in Section 4.6.

a) With respect to determinations each Member will be assigned:

1) up to 50 points for its market capitalization as published in the most recent World Bank statistics or statistics from another well recognized authoritative source, as follows:

- 10 points: market capitalization between $0 and $1 trillion
- 20 points: market capitalization >$1 trillion, up to $2 trillion
- 30 points: market capitalization >$2 trillion, up to $3 trillion
- 40 points: market capitalization >$3 trillion, up to $4 trillion
- 50 points: market capitalization >$4 trillion; and

2) up to another 50 points based on its level of activity and contributions to IFIAR over the previous four years as follows:

- Officer – 14 points
- Working Group Chair – 12 points
Board member – 10 points

Host of a major IFIAR event to which all Members are invited - 8 points

Participation in two or more Working Groups- 6 points

Board Committee Chair- 6 points

Working Group Vice-Chair – 6 points

In the case of a tie on points, the Member with the larger market capitalization shall be given preference.

4.4 Elected members shall be elected by vote of the Members. Subject to the general qualifications in Section 4.2, they may be re-elected without limitation on the number of terms. Nominations for candidates for elected member positions on the Board will be sought for a period of sixty days beginning three months before the plenary meeting. In casting their votes for elected members, Members should consider the importance of having geographic diversity and regulators from small and/or emerging markets on the Board. At their request, candidates will be informed of the number of votes they receive. If there are not more candidates available for elected Board membership than there are open positions, the election may be conducted by written procedure before the next plenary meeting.

4.5 The term for all Board members shall be four years, and the terms of the elected members shall be staggered. Elections for elected members will be held every two years.

4.6 The determination of nominated members will be made every four years prior to a plenary meeting and presented to the Members for confirmation at that meeting. Subject to the general qualifications in Section 4.2, nominated members may serve without limitation on the number of terms.

4.7 In the event of a vacancy among nominated members, a replacement nominated member shall be determined in accordance with Section 4.3 and presented to the Members for confirmation at the next plenary meeting. In the event of a vacancy among elected members, such vacancy will be filled at the next plenary meeting in accordance with Section 4.4. Board members that fill vacancies will serve out the remainder of the term of the member they are replacing.
4.8 In order to remain on the Board once nominated or elected, a member must participate in at least 50% of the Board meetings held in each twelve month period. A Board member must also continue to meet the general qualifications of Section 4.2. If the Board member cannot meet these requirements, the Officers, in consultation with the other Board members, may require such Board member to resign and the Officers shall seek a replacement by conducting a selection or election pursuant to Sections 4.7. A Board member who resigns may participate again in the next election and nomination cycle.

4.9 Board meetings shall be held on a regular basis with adequate notice provided in advance to all Board members. There shall be a minimum of two Board meetings per year. In order for the Board to conduct official business at a meeting, a quorum of two-thirds of voting Board members must participate in the meeting. Meetings may be in person, by teleconference, or by video conference. When necessary, decisions of the Board also may be taken by written procedure. Unless otherwise determined by the Officers, the Executive Director may participate in any Board meeting on an ex officio basis but shall not have a vote.

4.10 Each nominated and elected Board member shall have one vote. Decisions of the Board shall be made by consensus. Where consensus cannot be reached after reasonable efforts, the Board will revert to the Members for a decision in accordance with the provisions of Section 3 of the Charter. Matters related to personnel will be subject to procedures adopted by the Board.

4.11 All decisions of the Board shall be recorded and either communicated to the Members by, or on behalf of, the Officers or made available for review by the Members on the IFIAR website or in the Board archives, with the exception of personnel matters related to the Secretariat.

4.12 The Board shall be led by two Officers, a Chair and a Vice-Chair, whose duties are set forth in Section 5.

a) The Chair shall seek nominations\(^4\) for the Officer(s) position(s) before the plenary meeting during which an election is scheduled. The Chair and Vice-Chair shall be elected by the Members by simple majority from candidates who are officials of, and are nominated by, jurisdictions that are members of the Board.

---

\(^4\) The procedure followed will be similar to the procedure for nominating elected members as set out in Section 4.4.
b) The term of an Officer shall be two years. Officers may not serve consecutive terms in the same position but may be re-elected after a cooling-off period of four years. Officers do not have a vote independent of their jurisdictions. In principle, the Officer and its jurisdiction’s representative in the Board should be two different individuals.

c) In the event that the position of either the Chair or Vice-Chair becomes vacant, the Members will elect individual(s) to serve out the term of the vacant position in accordance with the procedure set forth in Sections 4.12.a and 4.12.d. This election can take place either at a plenary meeting or by written procedure, at the discretion of the Board. If the remaining term of the vacant position is less than one year, the individual who has served out the term may be nominated to serve a full term in that position. In the event that the position of the Chair becomes vacant, the Vice Chair shall act as Chair until the election has been conducted.

d) If multiple candidates are nominated for any position, the election for that position shall take place at the plenary meeting. All elections shall be by secret ballot, to be repeated until one nominee is elected by a simple majority of the Members. At their request, candidates will be informed of the number of votes they receive. If only one candidate is nominated for either position or if the election is conducted to fill a vacancy as referred to in Section 4.12.c and the remaining term is more than half a year, the election for that position may be conducted by written procedure before the next plenary meeting. The Chair (or Member designated by the Board) shall collect and count votes and report results to the Members.

e) If the Chair or Vice-Chair is from a jurisdiction that ceases to be a Board member, that Officer will cease to be an Officer and the vacancy will be filled in accordance with Section 4.12.c.

f) It is recognized that under the Articles of Association, the General Assembly subsequently will have to appoint the elected Chair and Vice-Chair as Directors of the Association.

4.13 The Board shall periodically undertake a holistic review of its structure and functioning, at such intervals as deemed necessary but no later than once every five years and report the findings of its review to Members at a plenary meeting.
Section 5 – Duties of the Board and Officers

5.1 The Board shall be responsible for all matters as enumerated below, provided that the Board may delegate as it sees appropriate any task as part of the duties in 5.1.b-c to either the Officers, sub-groups of the Board, Working Groups, Task Forces, Members, the Secretariat and/or the Executive Director. Any delegation will be set forth in a formal delegation document. The delegation document shall include an indication whether sub-delegation of a delegated task is permitted. The delegation can be revoked at any time.

a) The Board shall appoint the Executive Director, and set the terms and conditions of employment for the Executive Director and other staff of the Secretariat, including: the level of remuneration and benefits, conditions of service and scope of duties. The Board shall also have the right to terminate the employment contract of any employee of the Secretariat consistent with the terms of the contract and any applicable laws.

b) The Board’s duties shall be the following:

1) To adopt rules of procedure for the conduct of Board meetings, including the power to set up Board subcommittees to deal with specific matters;

2) To adopt procedures on personnel matters related to the Secretariat;

2(a) To approve the IFIAR Operating Plan and oversee the implementation thereof;

3) To present to the Members for their approval a Strategic Plan for the organization based on a discussion and consideration of priorities and both short and long term strategies;

4) To monitor the operation of Working Groups, task forces and other teams;

5) To affirm the appointment of Working Group Chairs that are selected in accordance with the WG-Governance policy in effect at the time of the selection;

6) To develop and approve a policy on expenses and appropriate internal controls thereof;

7) To approve IFIAR’s Annual Report and determine distribution thereof;
8) To appoint and dismiss the auditor, according to the policy approved by the Board;

9) To develop, for approval by the Members, any changes as necessary to IFIAR’s fee structure for membership dues as referred to in Section 9.3;

10) To recommend, for approval by the Members, the creation, suspension, or dissolution of Working Groups;

11) To recommend, for approval by the Members, a Working Group Governance policy;

12) To recommend, for approval by the Members, substantive changes to a Working Group’s terms of reference;

13) To approve non-substantive changes to the terms of reference of Working Groups;

14) To create task forces and other teams to accomplish the objectives of the organization’s Strategic Plan;

15) To approve attendance of ad hoc observers to Board or plenary meetings or parts thereof in accordance with Section 2.8;

16) To oversee the work of the Secretariat, including the approval of all Secretariat employment contracts;

17) To monitor the ongoing work of the organization;

18) To present draft agendas for plenary meetings;

19) To carry out any other duties delegated to it by the Members at plenary meetings or by written procedure;

20) To form subgroups of the Board and assign responsibilities to those subgroups as deemed appropriate; and

21) To fulfill any responsibilities assigned to it under the provisions of any multilateral agreement agreed to by the Members.

22) To externally communicate IFIAR Board views or positions that have been agreed by the Board.
c) With respect to IFIAR membership, the Board shall:

1) Review and recommend approval of an application for Member status in accordance with Section 2.3;

2) Review and recommend approval of an application for associate status, in accordance with Section 2.2 and 2.3;

3) Recommend suspension or termination of Members or Associates that no longer meet the membership criteria or who are in arrears on their membership fees; and

4) Make modifications to IFIAR’s annual membership profile template, and review the profile from each of the Members and Associates annually including the Member’s confidentiality certification.

5.2 The Officers shall be responsible for all matters as enumerated below:

a) To convene and conduct plenary meetings of the membership, to issue invitations, and to determine which sessions are closed to observers and Members’ and Associates’ board members and other staff who are not independent from the audit profession, in accordance with Sections 2.7 and 7.6 respectively;

b) To extend invitations to ad hoc observers and others in consultation with the Board as provided in Section 2.8;

c) To take measures, in consultation with the Board, as set forth in Section 7.7, in case of breaches of confidentiality;

d) To convene and conduct meetings of the Board with or without non-Board members and propose meeting agendas;

e) To undertake actions necessary to prepare for an election, including seeking nominations for nominated members and elected members, Chair and Vice Chair, and preparing and presenting to the Members the determination of nominated members in accordance with Section 4.3;

f) To count and disclose the results of the votes of the Members;

g) To circulate minutes of the Board meetings to the Board members and maintain the archives of the Board for reference by the Members;
h) To oversee the drafting of papers such as policy papers and survey reports by subgroups of the Board, the Secretariat, the Working Groups, the Task Forces or individual Members, as assigned;

i) To report to the Board, on at least a semiannual basis, the financial status of the organization;

j) To prepare in conjunction with the Board, an annual budget to be approved by Members at a plenary meeting in accordance with Section 9.4;

k) To present the annual budget, fee levels and report on the financial status to the Members in accordance with Section 9.4 and 9.8;

l) To manage and administrate activities related to the Association;

m) To prepare IFIAR’s Annual Report for approval by the Board;

n) To supervise any subgroup created by the Board to perform Board tasks, (e.g. membership outreach);

o) To task the Secretariat in accordance with the Operating Plan, as well as convey specific instructions and determinations of the Board to the Secretariat;

p) To sign on behalf of the Board all correspondence on personnel matters with respect to the Secretariat;

q) To comply with the Board policy on expenses and appropriate internal controls;

r) To ensure that the Executive Director of the Secretariat regularly reports to the Board on the activities of the Secretariat;

s) To conduct annual performance appraisals of the Executive Director of the Secretariat for review by the Board;

t) To communicate on a regular basis the activities of the Board to the Members and Associates;

u) To sign all contracts for goods or services and all official correspondence on IFIAR’s behalf as specified in the Articles of Association;

v) To fulfill any responsibilities assigned to them under the provisions of any multilateral agreement agreed to by the Members;
w) To represent IFIAR and manage external communications and relations as follows:

   i. Communicating, without specific Members’ approval, information about IFIAR’s activities and providing their personal views, as identified as such;

   ii. Representing IFIAR informally without specific approval of the Members;

   iii. Designating Members or individuals to represent IFIAR at meetings of other organizations;

   iv. Communicating common IFIAR views or positions that have been agreed to in accordance with the Communications Policy; and

x) Such other tasks of the Board that the Board delegates to the Officers.

y) To delegate the Officers’ tasks to the Secretariat, the Executive Director, Working Groups, Task Forces or Members as appropriate. Any delegation will be set forth in a formal delegation document. The delegation document shall include an indication whether the sub-delegation of a delegated task is permitted. The delegation can be revoked at any time.

5.3 All other duties and responsibilities not enumerated in paragraphs 5.1 and 5.2 above shall remain with the Members. In accordance with Section 3 (Decision making arrangements), the Members may delegate from time to time any tasks not set forth above without formally amending this Charter.

5.4 [intentionally deleted]

Section 6 – Duties of the Secretariat

6.1 The Secretariat’s responsibilities shall be to:

   a) Provide administrative and/or organizational support to the Officers and/or Board in fulfilling their responsibilities under Section 5.

   b) Provide support to Working Groups, Task Forces and other teams in their operations;

   c) Maintain records and archives;
d) Monitor information on audit oversight practices globally;

e) Undertaking any other work or tasks assigned by the Officers or Board;

f) Keeping the books and records and account for the Association;

g) Comply with the Board policy on expenses and appropriate internal controls;

h) Any other tasks delegated to the Secretariat.

6.2 The Secretariat shall have an Executive Director. The Executive Director shall be responsible to the Board and Officers for:

a) Providing high level assistance to the Officers and Board in preparing meetings, decision making and reports;

b) Leading and managing the Secretariat staff;

c) Overseeing the operations of the Secretariat;

d) Assisting the Board in identifying audit quality issues and potential areas of activity for IFIAR;

e) Assisting the Officers and the Board in bringing about consensus on issues;

f) Assisting the Officers in representing IFIAR in accordance with the Communications Policy;

g) Assisting in enhancing IFIAR’s external profile;

h) Any other tasks delegated to the Executive Director.

Section 7 - Confidentiality

7.1 Members, Associates, Board members, Officers, Working Group members, Task Force members and other subgroup members, and the Secretariat are required to keep internal IFIAR information confidential, except when national law overrides the commitment to keep information confidential. When such override occurs, it should be notified to the Officers and Secretariat.

7.2 Confidential IFIAR information shall be divided into two Levels of confidentiality. Level One information is comprised of most of IFIAR’s confidential meeting materials, including most Working Group papers, papers relating to IFIAR’s budget, governance and policies. Level Two information is more sensitive information and includes but is not limited to, the individual responses from Members to any of IFIAR’s surveys and detailed information
that firms provide.

7.3 Members and Associates are required to keep internal IFIAR information confidential as set forth below:

a) Members and Associates shall include a self-certification agreeing to maintain Level One and Level Two information confidential in IFIAR’s membership application form and the annual Member Profile document. When accessing the Members’ Only area of IFIAR’s website, they will acknowledge that they will keep the posted information confidential;

b) Members and Associates shall inform the Secretariat of any changes in their list of individuals included in IFIAR’s Distribution list and/or individuals with website access to the Members’ Only area of IFIAR’s website;

c) Members and Associates shall only use individuals’ e-mail addresses through the Member or Associate organization’s official e-mail service;

d) Members and Associates shall have safeguards in place to ensure that confidential information is not shared with third parties outside their organization. Members and Associates who have individuals who are not independent from the audit profession shall also have safeguards in place to ensure that confidential information is not shared with such individuals;

e) Members and Associates shall have safeguards in place to ensure that information is kept confidential when staff members leave their organizations.

7.4 Level One information will only be shared with the Members and Associates under the restrictions as set out in 7.3. Level Two information will only be shared within IFIAR on an as-needed basis for completion of the work of IFIAR and will not be shared with the Members or Associates at large or revealed outside IFIAR except, in the case of information provided by a Member or Associate, with the express permission of the Member or Associate.

7.5 The party responsible for determining if information is in Level One or Two is:

a) the Board, in the case of Board-projects/papers;

b) the Chair and/or Vice Chair, in the case of Officers - or Secretariat led projects/papers; or

c) the Working Group Chair, in the case of Working Group projects/papers.
IFIAR Charter
As approved on April 25, 2022

The responsible party will mark “Confidential Level One” or “Confidential Level Two” on all papers that contain confidential information. The Secretariat will keep an overview of the levels of confidentiality shared within IFIAR.

7.6 Individuals from Member or Associate organizations who are not independent of the audit profession are precluded from participating in any non-public IFIAR meeting.

7.7 Breaches of confidentiality

In the event that it is apparent that a Member, Associate, Board member, Officer, Working Group member, Task Force member or other subgroup member, or Secretariat staff does not comply with the confidentiality requirements as described above, the Officers may decide, in consultation with the Board, to:

a) give a warning;

b) withhold Level One and/or Two information;

c) notify the breach to the Members and Associates;

d) suspend or remove a Member from a Working Group or a Member or Associate from a Task Force;

e) recommend, for approval by the Members, the:

   i. suspension or termination of that Member or Associate of IFIAR, or

   ii. removal of a Working Group Chair and Vice Chair, Board member and/or Officer.

f) approve disciplinary measures against Secretariat staff based on their employment agreement as appropriate.

The Member, Associate or person in breach of confidentiality cannot take part in the decision-making on this matter, but will be given the opportunity to express its/his/her views. If the breach has been committed by an Officer or the Member from which the Officer originates, the decision will be taken by the unassociated Officer, in consultation with the Board.

Section 8 – Transparency and accountability

8.1 IFIAR operates with a high degree of transparency and should:
a) Issue an Annual Report;

b) Issue press releases about its activities and views or positions when adopted;

c) Maintain a publicly available website, which includes at least the following information:
   i. IFIAR’s Charter;
   ii. List of Members, Associates, and Observers;
   iii. Information about IFIAR’s Strategic Plan and activities;
   iv. IFIAR views or positions when adopted;
   v. Press releases; and

Section 9 – Resources and funding

9.1 IFIAR’s activities will be undertaken on a collaborative basis, with Members, Associates, Officers and Board members meeting their own expenses, with the exception that the Members and Associates will contribute to the funding of the Secretariat resources necessary for IFIAR’s ongoing operations.

9.2 IFIAR shall have a financial year beginning on 1 January.

9.3 The Board shall review the fee structure for (re)approval by the Members.

9.4 The Officers shall present, in conjunction with the Board, for approval by the Members at a plenary meeting before the start of each financial year a proposed budget and corresponding fee levels based on the approved fee structure. The proposed budget shall set out the proposed activities and the related organizational and administrative resources. A portion of IFIAR-related travel expenses of the Officers may be expressly and specifically provided for in an approved budget. Other than as so provided, the budget shall exclude costs of the Officers’ and Board members’ travel and accommodation and the time spent by the Officers and Board members on IFIAR matters. As set out in section 9.1, these costs will be borne by their respective home organizations as their own expenses.

9.5 After discussion amongst the Members and, if necessary, amendments to the Officers’ proposals, the Members will approve the budget and fee levels.
9.6 Failure by a Member or Associate to pay the annual membership dues on a timely basis will be reported to the next plenary meeting and may lead to suspension and/or termination of membership unless the other Members allow the defaulting Member or Associate to retain its membership. For as long as a Member is in arrears on its dues, such Member cannot vote or be a member of a Working Group according a late payment policy. The Board shall adopt a late payment policy.

9.7 The Members agree to maintain or establish a legal entity for the purpose of facilitating the collection of membership fees and the payment of costs, and for such other purposes as deemed necessary, of the organizational and administrative resources of IFIAR and other approved IFIAR expenses, as well as signing the contracts necessary for the operation of the Secretariat.

9.8 The Officers shall present to the Members at the plenary meeting after the end of each financial year a report on the actual activities and costs of the Association for the last financial year. The report shall include the audited financial statements.

9.9 If necessary, Members hosting meetings or workshops may ask Members and Associates attending to help defray the costs of such events.

9.10 Officers may request that members of the Board or other Members share in the Secretariat and Officers’ workload by providing in-kind contributions, including administrative or other support.

Section 10 – Amendments

10.1 This Charter shall continue in effect, unless and until, i) any amendment proposed at least six weeks in advance by the Board to the Members is ratified without change by the Members either at a plenary meeting or by written procedure, or ii) any revisions to an amendment proposed in accordance with 10.1.i) or any newly proposed amendment is provisionally agreed at a plenary meeting and subsequently ratified by written procedure, in each case after the Members have obtained the approval of their governing bodies, as needed.

Section 11 – Effective Date

11.1 This version of the Charter became effective on April 25, 2022.