

IAESB CAG Meeting – New York, United States, February 9, 2010

DATE: JANUARY 31, 2010
TO: IAESB CAG
FROM: RUSSELL GUTHRIE
EXECUTIVE DIRECTOR, QUALITY AND MEMBER RELATIONS
(QMR)
SUBJECT: IFAC TRANSLATIONS FUNCTION - REPORT (AS PART OF
STRATEGIC THEME 2 – ADOPTION AND IMPLEMENTATION
SUPPORT)

Section 1 Report Overview

- 1.1 This report provides an update on the activities of the IFAC Translations function since the IFAC Board and Council meetings in November 2009, and gives an overview of planned activities for 2010.
- 1.2 As outlined in the Strategic Plan, one of IFAC’s strategic objectives is to “coordinate and facilitate the translation of IFAC standards and supporting documents.”¹ The Translations function is part of IFAC’s Adoption and Implementation support activities. These support activities include an “Accessibility” activity stream that is further described as “actions taken to make the standards and guidance accessible in languages other than English (e.g., translation).” The Translations function is located within the QMR function, but works across the various IFAC service areas. It consists of a full-time Senior Technical Manager with support from a part-time Executive Assistant.

Section 2 Meeting Updates

- 2.1 There have been no physical meetings since November 2009 involving the Executive Director, QMR or Senior Technical Manager, Translations in regard to the activities of the Translations function. However, ongoing contact is maintained with various key stakeholders through e-mail and telephone conferences.

Planned

- 2.2 The Senior Technical Manager, Translations has been invited to give a presentation at the March 2010 meeting of the International Auditing and Assurance Standards Board (IAASB) in New York. Subject to final confirmation, she has also been invited to attend the meetings of the national standard-setters groups of the International Ethics Standards Board for Accountants (IESBA) and the IAASB in Vienna, Austria in April 2010. In connection with these meetings, the possibility is being explored for organizing a presentation and discussion with Vienna-based staff of the World Bank in regard to the translation activities of IFAC.

¹ Strategic Plan for 2009-2012, September 2008, Sections 7 and 8

Section 3 Significant Project Status/Updates

Translation of IFAC Publications and Standards

- 3.1 According to the IFAC Translations Database,² as of January 2010, various IFAC standards have been translated into a total of 44 languages. However, there are very few languages into which all groups of IFAC standards have been translated. In addition, for some languages, the translation of certain groups of standards is not entirely up-to-date. In general, the pronouncements of the IAASB and IESBA have been the most widely translated.
- 3.2 The Translations function continues to monitor the situation and to encourage translations of IFAC's publications and standards where possible. Board members are encouraged to review the information that IFAC currently holds in its Translations Database and inform IFAC of the need for any updates.

Potential Endorsement and Adoption of the Clarity Standards by the European Union

- 3.3 As of January 31, 2010, completed signed translation agreement packages have been received from 17 of 20 translating bodies. IFAC staff is not aware of any major outstanding issues with respect to the outstanding agreements and they are expected to be received in due course.
- 3.4 In connection with the review of the translated Clarity International Standards of Auditing (ISAs) by the Directorate General of Translations (DGT) of the European Commission (EC), 34 translated standards were to be submitted to DGT for each of the 20 relevant languages by December 31, 2009. As of January 31, 2010, 94% of the total number of these translated standards has been submitted to the EC. Four countries have yet to submit the entire set of translated Clarity ISAs. Most of these four countries are expected to submit the remaining translations to the EC by no later than February 15, 2010.
- 3.5 The Directorate General - Internal Market and Services (DGM) of the EC has expressed overall satisfaction with the translation and review process. Apart from delays with respect to the Greek language, the process is seen to be progressing according to plans. DGM has informally indicated that ten European countries potentially intend to adopt the clarified ISAs for use from the December 2009 effective date (although this may now be somewhat delayed, pending finalization of DGT's review process). These countries include: Cyprus (English language version), Czech Republic, Estonia, Lithuania, the Netherlands, Norway (EEA, not a European Union (EU) country), Portugal, Slovenia, Sweden, and the United Kingdom/Ireland.

One Quality Translation per Language

² <http://www.ifac.org/Translations/database.php>

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- 3.6 Attempts are being made on an ongoing basis to encourage one quality translation per language of IFAC’s publications and standards. In cases where IFAC receives a request to translate a publication or standard, and there is already an existing translation performed by a designated translating body, the interested party is normally referred to that translating body. There continues to be a few major world languages where IFAC is aware that more than one translation of certain IFAC publications and standards are being performed. These languages include French, Portuguese, and Spanish; however, ongoing efforts are underway to consolidate these translation efforts in the short to medium term.
- 3.7 IFAC is in the process of executing a translation agreement with the Federación Argentina de Consejos Profesionales en Ciencias Económicas (FACPCE). Through the terms of this agreement, FACPCE will organize an international Spanish language review committee consisting of various representatives of interested IFAC member bodies and other relevant parties in the Latin American region. This review committee will review the translations of the Clarity Standards performed by the translating bodies of Spain³ in connection with the potential adoption of these standards in the EU. The objective of the process is to develop a Spanish language translation that, over time, can be accepted globally. In addition, FACPCE undertakes to translate the elements of the 2009 edition of the IFAC *Handbook of International Standards on Auditing and Quality Control* that have not been translated by the translating bodies of Spain.
- 3.8 A translation agreement has been drafted and sent to the relevant translating bodies in France for a French translation of the *Code of Ethics for Professional Accountants* (2009), to be reviewed by an international review committee with representatives from Canada and other Francophone countries of Europe and Africa.
- 3.9 The International Accounting Standards Committee Foundation (IASCF) will no longer undertake to translate the IFAC *Handbook of International Public Sector Accounting Pronouncements* into French and Spanish. No translating bodies have so far been forthcoming in regard to updating the French and Spanish translations of the 2007 edition of this publication.

Volunteer Copyright Waivers

- 3.10 Signed copyright waivers have been requested from IFAC volunteers (members of standard-setting boards and their technical advisors, members of other relevant IFAC committees and other experts). Appearance release forms have also been requested from IFAC volunteers appearing in multimedia presentations. This collection process is ongoing.
- 3.11 Going forward, the Translations function will liaise with IFAC’s Governance Manager and administrative staff of the relevant boards and committees in order to obtain such signed copyright waivers as part of the introduction process for new members or technical advisors.

³ The translating bodies of Spain are the Instituto de Censores Jurados de Cuentas de España (ICJCE) and the Instituto de Contabilidad y Auditoría de Cuentas (ICAC). Substantially all translation and financial resources for the Spanish language translation of the clarified versions of the International Standards on Auditing and Quality Control have been provided by ICJCE.

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Revenue Generation and Cost Recovery Issues

- 3.12 In accordance with IFAC's established practice, license fees or royalties are not charged to translating bodies that have asserted that their translation and publication activities are non-commercial. In the past year, IFAC has also agreed to not charge license fees or royalties in the case of some commercial activities of the translating bodies in order to allow them to recover some of the costs of translation. This practice is based on the principle that assisting designated translating bodies in recovering some of their costs of translation will further the wider adoption and implementation of IFAC's standards on a global basis. The possibility to assist the translating bodies in recovering some of the costs of translation is particularly relevant at the present time, in light of the significant volume of material produced as a result of the IAASB's Clarity project.
- 3.13 Going forward, IFAC will seek to better understand how, and for what purposes, translating bodies are using IFAC's material, and what impact this may have on the potential for IFAC's revenue generation. Such uses may include publication of standards and guidance, inclusion of the standards and guidance in software applications, inclusion by national publishers in reference publications or textbooks, and training activities.
- 3.14 Through the permissions mailbox, permissions@ifac.org, the Translations function also handles reproduction inquiries submitted to IFAC for English language reproduction of IFAC's publications and standards. On an ongoing basis, efforts are being made to ensure that appropriate agreements are in place for such reproduction, and that appropriate acknowledgement is given to IFAC when IFAC's copyrighted material is reproduced. This may, for example apply to national standard setters in English speaking countries that have adopted IFAC's standards or are otherwise using IFAC's standards or publications.
- 3.15 In the future it will also be important to consider, together with the relevant IFAC member bodies or other stakeholders, the implications of third party sub-licensing arrangements (such as between a national standard setter and the national representative of a global publishing enterprise or a firm). It will also be important to appropriately manage situations that may come to IFAC's attention whereby third parties, such as software developers, may be using IFAC's copyrighted material without IFAC's prior consent.

Administrative Processes, Routines and Tools

- 3.16 On a continual basis the Translations function handles translation proposals, permission requests and a wide range of translation and reproduction-related inquiries submitted by translating bodies and other interested parties. Agreements for reproduction, or translation and reproduction of IFAC publications and standards are executed on an ongoing basis as appropriate. Approximately 60 such agreements were signed in 2009.
- 3.17 In February 2010, the staff of the Translations function will participate in introductory user training related to the recently procured translation memory software *Trados*. The Translations function plans to use *Trados* as a central repository of relevant translation memories of IFAC's standards and publications, and as a translations asset going forward.

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Overall Focus

- 3.18 The three main focus areas of the Translations function for 2010 continue to be:
- Quality – translations performed in accordance with IFAC’s policy statement;
 - Coverage – groups of standards translated, number of languages of translation, population coverage of language of translation; and
 - Responsiveness – professionally facilitate translations on a timely basis.

Section 4 Critical Environmental Issues

- 4.1 The United Nations and World Bank continue to seek up-to-date translations of the International Public Sector Accounting Standards in major world languages. Identifying appropriate and sustainable solutions for these translations will be a priority for 2010. However, IFAC has only very limited “seed” resources available to proactively initiate such solutions. Financial and technical resources from member bodies and or other stakeholders will be essential to make a meaningful impact in this area.

Section 5 International Relations and Communications

- 5.1 Please see meetings and activities described in Sections 2 and 3 above.

Section 6 Operations and Other Matters

- 6.1 Planned additional staffing for Translation activities was deferred due to budget constraints.