The following Oversight Plan has been developed on the basis that IFAC’s proposal to replace the CAP during 2019 by a Membership Committee (MC), will take place; and that the current CAP will continue functioning under PIOC oversight during the first half of 2019.

1. **2018 highlights**

In a teleconference held in August 9th, 2018, which the PIOC did not observe, IFAC presented a proposal to substitute the CAP with a “Membership Advisory Panel” (MAP), by July 2019. The new MAP would not be subject to PIOC oversight, as it is the case now.

At the CAP meeting in October¹, IFAC presented to the CAP a final proposal, which now refers to replacing the CAP with a “Membership Committee” (MC), that will only provide advice in relation to the “gatekeeper role”. Under this role, the MC will be responsible for maintaining membership application and assessment/monitoring processes over MBs, as well as for enforcement issues. The “advisor” and “disseminator” roles will be carried out by IFAC staff, under the oversight of IFAC management. In the final proposal, IFAC concludes there is no need for PIOC oversight.

The PIOC first discussed IFAC’s proposal with IFAC Leadership during the PIOC September meeting. At that time, IFAC reported to the PIOC that no formal decision had been made yet, as the CAP was to discuss the proposal in October and IFAC Board in early November.

The PIOC believes that global adoption and convergence of standards is a public interest activity, as was recognized back in 2003, and - unlike compliance and membership issues- should continue to be subject to external oversight.

The PIOC is willing to contribute to the current incentives to global adoption, as these serve the interests of both IFAC and the PIOC, as well as the public interest.

The new CAP Chair, Penny Egan, was approved by the PIOC in March 2018. The new Chair participated in the PIOC June 2018 meeting via teleconference.

2. **Expected CAP Activity for 2019**

The CAP agreed on a 2019 Work Program (WP) during its October meeting. As the Compliance Program is a staff-driven program, staff believes that this program will be carried out no matter what the CAP’s oversight structure is.

The 2019 WP focuses on promoting and supporting the quality of PAOs; promoting and disseminating information on adoption and implementation of international standards (e.g., through member bodies’ profiles published on the website); and enhancing reporting tools, such as the SMO Action Plans).

¹ This meeting was observed by the PIOC.
² This role includes disclosing the results of the Program via “Global Status Report” on the adoption of standards.
3. Risk Assessment Analysis for 2019

The CAP will undergo changes in 2019, led by IFAC. These changes carry very significant public interest risks. The PIOB needs to discuss with IFAC leadership the extent to which external oversight, specially over adoption and implementation of the standards, contributes to the public interest. Given this situation of uncertainty, and the risks to the public interest, the PIOB will apply a high intensity model during 2019.

The new structure to be set in 2019 will need to develop new Terms of Reference (ToR), which in principle, will not include PIOB oversight as the current ToR do. This is an aspect the PIOB will have to follow up.

Appendix I details the PIOB 4 different Oversight Assurance Models.

4. Oversight Activities for 2019

4.1. Direct Observations of Meetings

In October, the CAP agreed to have 3 virtual meetings during 2019, and one physical meeting. The PIOB will observe all the meetings:

April 8– Virtual meeting
July 8– NYC
August 1 – Virtual meeting (optional)
October 18 – Virtual meeting

If the agenda of any meeting does not merit observation, this OP will be adapted accordingly.
## APPENDIX I - OVERSIGHT ASSURANCE MODELS

<table>
<thead>
<tr>
<th>Model</th>
<th>Intensity of PIOB Oversight</th>
<th>When</th>
<th>PIOB Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High</td>
<td>Higher risk to public interest protection</td>
<td>100% observations</td>
</tr>
<tr>
<td>2</td>
<td>Medium</td>
<td>Medium risk to public interest protection</td>
<td>Medium level of observations</td>
</tr>
<tr>
<td>3</td>
<td>Low</td>
<td>Low risk in public interest protection</td>
<td>Minimal or no observations</td>
</tr>
</tbody>
</table>