

Operational Plan for 2012

Table of Contents

		Page
Section 1	Introduction	1
Section 2	Link to the Strategic Plan for 2011-2014	3
Section 3	Service Areas	5
Section 4	Organizational and Staffing Plans	26
Section 5	Budget Introduction	29
Section 6	Budgeted Statement of Revenue and Expense	31
	Budgeted Statement of Financial Position	33
Appendix	Staff Structure	34

Section 1 Introduction

IFAC is the global organization for the accountancy profession. Founded in 1977, it is comprised of more than 160 accountancy organizations in approximately 125 countries and jurisdictions. These accountancy organizations represent 2.5 million accountants in commerce and industry, education, the not-for-profit sector, public practice, and the public sector.

Strategic Plan for 2011-2014

The Strategic Plan for 2011-2014 is an evolution from the previous strategic plan. It reflects those activities and services that are critical to a successful future for the organization and to enhancing the relevance of the accountancy profession. It is based on a careful analysis of the changes in the environment; the needs and priorities of IFAC's stakeholders; the risks associated with possible action – as well as inaction; and IFAC's current and future resource needs.

With a focus on enhancing the relevance of the accountancy profession, the strategic plan seeks to increase momentum, seize new opportunities and establish sufficient resources. It calls for the accountancy profession to take an active role in the development of strong and sustainable organizations, financial markets and economies.

The strategic plan aims to position IFAC:

- As an active and credible contributor to international standard setting under public interest oversight;
- As a leader, facilitator, or collaborator in supporting adoption and implementation of the international standards;
- As an active and credible contributor to mitigating sovereign debt risk by promoting the adoption and implementation of International Public Sector Accounting Standards (IPSASs);
- To take strong public policy positions based on sound analysis of issues relevant to the global accountancy profession;
- To support our members to render enhanced services to professional accountants in business, small and medium practices, and professional accountancy organizations in developing nations;
- As a recognized participant in the area of corporate governance and sustainability; and
- As an active voice of the global accountancy profession.

It also provides for the establishment of sufficient staff resources, a strong operational foundation, and fiscal stability.

The Current Environment

The 2010 Global Leadership Survey and subsequent discussions in 2011 with the chief executives of members and regional organizations and the Board confirmed the strategies determined for 2011-2014.

In particular, the Global Leadership Survey recognized the importance of IFAC as the umbrella organization for international standards in the areas of auditing and assurance, education, ethics, and public sector financial reporting; and the key role it plays in the development, adoption and implementation of those standards. It also recognized IFAC as the voice of the global accountancy profession, and highlighted the need to restore public confidence in the profession and the value of an audit. The importance of ethics, including auditor independence, the prevention and detection of fraud, and a global code of ethics to protect the fundamental qualities of the profession, was also cited.

Respondents regarded the adoption and implementation of accrual accounting (in the form of the IPSASs) as a necessity. In addition, sustainability and the implementation of governance principles emerged as key issues. The survey also highlighted the importance of addressing the needs of small- and medium-sized enterprises and small and medium practices, and supporting the profession in developing nations.

The chief executives discussed the fact that the accountancy profession will be *business led* and – in this regard – the importance of understanding the changing needs and models of business in developing future plans. They encouraged IFAC to reflect the dynamic of a more diverse and balanced global economy in its plans. They also recognized the changes in demographics of the profession and the increased pace and complexity of technological changes.

Operational Plan for 2012

The Operational Plan details the services planned to be delivered during 2012, the estimated costs for delivery of those services, the specific organizational and staffing matters to be addressed during 2012, and the 2012 budget to support the operations.

IFAC employs a two-year planning cycle that alternates emphasis on strategy development and implementation. This allows the Board, through the work of the Planning and Finance Committee (PFC), to monitor the activities and services that support IFAC's mission and strategies, while responding to the environment in which the organization operates.

Section 2 Link to the Strategic Plan

The Strategic Plan for 2011-2014 reaffirms the organization's vision, mission and values and identifies the outcomes the organization strives to influence. These outcomes, while not entirely within the control of IFAC or the accountancy profession, are the results IFAC seeks to influence on a broad scale. They also help define the strategies of the organization.

Four service areas have been defined in support of IFAC's mission and values. They are:

- Standards and Guidance
- Adoption and Implementation
- Quality and Development
- Representation of the Accountancy Profession

Service Area	Mission	Outcomes
Standards and Guidance Adoption and Implementation	▶ Contributing to the development, adoption, and implementation of high-quality international standards and guidance	▶ <ul style="list-style-type: none"> • Confidence in international standards • Adoption of high-quality international standards • Effective implementation and enforcement of international standards
Quality and Development	▶ Contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants ▶ Promoting the value of professional accountants worldwide	▶ <ul style="list-style-type: none"> • Strong professional accountancy organizations • Strong accounting firms • High-quality services by accounting firms and practitioners • High-quality financial management and reporting practices in all types of organization • Global recognition of professional accountants as business leaders and strategic partners in building long term sustainable organizational success
Representation of the Accountancy Profession	▶ Speaking out on public interest issues where the accountancy profession's expertise is most relevant	▶ <ul style="list-style-type: none"> • All of the above

Section 3 Service Areas

The four service areas and a description of each are provided below, followed by a detailed description of the services planned under each service area. These services are delivered to external audiences, which may include member bodies, accounting firms (including small and medium practices), regulators, governments, professional accountants, academia and others. They do not reflect internal activities or services that support the delivery of IFAC's services to external parties.

Other organizations also contribute to the outcomes outlined in the strategic plan. IFAC's role may therefore vary between leader, facilitator and collaborator, as appropriate, in working with these organizations. The strategic and operational plans cover all three roles. The increased demand for a global response to public interest issues, including the development, adoption and implementation of high-quality standards, will require IFAC's members and associates and the accounting firms to continue to increase their investment at international level – both financial and by way of collaboration.

Standards and Guidance – Contribute to the development of high-quality standards and guidance by the committees and independent standard-setting boards

The standards are developed by the International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA), and International Accounting Education Standards Board (IAESB), under the oversight of the Public Interest Oversight Board (PIOB), and by the International Public Sector Accounting Standards Board (IPSASB). Information about the standard-setting boards and their strategies, services and priorities can be found in their strategic and operational plans.

In addition, IFAC develops or facilitates the development of international good practice guidance for professional accountants in business, for small and medium practices, and for professional accountancy organizations in developing nations. IFAC's good practice guidance is distinct from guidance supporting the adoption and implementation of standards.

Adoption and Implementation – Provide institutional support targeted at those responsible for adoption and implementation of international standards at a national, regional, or global level

Adoption is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions. The primary target audience is institutions such as national standard setters, governments, members, regional organizations, regulators, donor agencies, and accounting firms – especially in jurisdictions that have not yet adopted international standards or where the accountancy profession is less developed.

Adoption support comprises two main elements: (a) the translation of international standards through a facilitated process that emphasizes the need for high-quality translations; and (b) the provision of institutional adoption resources targeted to the needs of the recipient. IFAC recognizes that the central responsibility for adoption rests at a national or regional level, and that IFAC's role is to support adoption through provision of advice, facilitation, the sharing of knowledge and best practices and, where necessary, the development of guidance.

Implementation is concerned with the practical steps necessary to make use of international standards. The primary target audience is the same as for adoption – i.e., institutions, such as national standard setters, governments, members, regional organizations, regulators, donor agencies, accounting firms, etc.

The objective is to enhance their capacity to ensure consistent and effective implementation of international standards by their members or constituencies.

Implementation support involves the provision of resources targeted to the needs of those responsible for implementing international standards. IFAC recognizes that, like adoption, the central responsibility for implementation rests at a national or regional level and that its role is to provide support through the provision of advice, facilitation, the sharing of knowledge and best practices, and the development of guidance.

Quality and Development – Promote the provision of high-quality services by all members of the accountancy profession worldwide

IFAC promotes quality through the implementation of the Member Body Compliance program, initiatives aimed at improving the quality of auditing, and initiatives aimed at enhancing the competence and relevance of professional accountants.

Representation of the Accountancy Profession – Speak out on public interest issues where the profession’s expertise is most relevant

IFAC is the primary representative for the global accountancy profession and speaks out on a wide range of issues where the accountancy profession’s expertise is most relevant. IFAC accomplishes this through:

- *Commenting on issues that directly relate to the accountancy profession;*
- *Developing and maintaining relationships with other organizations as appropriate;*
- *Participating in global, regional and national forums; and*
- *Developing policy positions that address issues relevant to the global accountancy profession.*

IFAC collaborates with its members and associates in speaking out on issues affecting the accountancy profession and the public it serves, leveraging member and associate expertise.

2012 Service Delivery Plan

The descriptions and delivery methods included below reflect the nature and scope of the planned services, and how IFAC will achieve their delivery. The timeframe shows the best estimate of document publication or other activity dates. The committees and independent standard-setting boards undertake their work using an established due process, including consultation with interested parties. The timeframes for completion of projects are subject to change depending on input received throughout a project's development. They may also be adjusted to reflect changes in priorities due to unforeseen circumstances or for other reasons.

Standards and Guidance

Service Description – Standards and Guidance	Delivery Method	Timeframe
Due Process		
To ensure consistent high quality in the standards issued, a clearly defined rigorous due process is followed by the IAASB, IAESB, IESBA, and IPSASB. The PIOB, which has the mandate to oversee the IAASB, IAESB, and IESBA, approved this due process and monitors compliance with it.	PIOB confirmation of compliance with due process for all standards issued by the IAASB, IAESB, and IESBA	Throughout 2012
International Auditing and Assurance Standards Board		
Audit Quality	Consultation Paper	Q1 2012
Revised International Standard on Related Services (ISRS) 4410, <i>Compilation Engagements</i>	Final standard	Q1 2012
Revised International Standard on Review Engagements (ISRE) 2400, <i>Engagements to Review Historical Financial Statements</i>	Final Standard	Q3 2012
Revised International Standard on Assurance Engagements (ISAE) 3000, <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>	Final standard	Q3 2012
ISAE 3410, <i>Assurance on a Greenhouse Gas Statement</i>	Final standard	Q3 2012
Academic research commissioned with International Association of Accounting Education and Research (IAAER) on topics of interest to IAASB	Publication	Q1 2012
Handbook of International Quality Control, Auditing, Reviews, Other Assurance, and Related Services Pronouncements	Publication	Q2 2012

Service Description – Standards and Guidance	Delivery Method	Timeframe
International Accounting Education Standards Board		
Revised International Education Standard (IES) 8, <i>Competence Requirements for Audit Professionals</i>	Exposure Draft	Q1 2012
Revised IES 2, <i>Content of 'Professional Accounting Education Programs</i>	Exposure draft	Q2 2012
Revised Guidance on IES 8, <i>Competence Requirements for Audit Professionals</i>	Exposure draft	Q4 2012
IES 4, <i>Professional Values, Ethics and Attitudes</i>	Final Standard	Q2 2012
IES 6, <i>Assessment of professional Capabilities and Competence</i>	Final Standard	Q2 2012
IES 1, <i>Entry Requirements to a Program of Professional Accounting Education</i>	Final Standard	Q3 2012
IES 5, <i>Practical Experience Requirements</i>	Final Standard	Q3 2012
IES 3, <i>Professional Skills and General Education</i>	Final Standard	Q4 2012
IES 8, <i>Competence Requirements for Audit Professionals</i>	Final Standard	Q4 2012
International Ethics Standards Board for Accountants		
Breach of Independence Requirement	Final Standard	Q2, 2012
Conflicts of Interest	Final Standard	Q4 2012
Responding to a Suspected Illegal Act	Final Standard	Q4 2012
Handbook of the Code of Ethics for Professional Accountants	Publication	Q2 2012
International Public Sector Accounting Standards Board		
Financial Instruments Public Sector	Consultation Paper	Q2 2012
Conceptual Framework	Exposure drafts	Q1, Q2 2012
Consolidations and Joint Arrangements	Exposure Draft	Q1 2012
IAS 39 Amendments	Exposure Draft	Q2 2012
Entity Combinations	Exposure Draft	Q4 2012
Three additional proposed new / revised International Public Sector Accounting Standards / guidance	Exposure Drafts	2EDs in Q2 and 1 ED in Q3 2012

Service Description – Standards and Guidance	Delivery Method	Timeframe
Service Performance Reporting	Guidance	Q4 2012
Small and Medium Practices Committee		
Input to international standard setting on behalf of the small and medium practices (SMP) constituency <ul style="list-style-type: none"> • Meeting / conference presentations • Representation and contribution to ad hoc consultations 	Letters, presentations, etc.	Throughout 2012
Input to international regulatory dialogue (via IFAC Public Policy and Regulation) on SMP and small- and medium-sized entity (SME) issues	Contribution to letters, participation in meetings, representation, etc.	Throughout 2012
Compliance Advisory Panel		
Revised Statements of Membership Obligations (SMOs)	Final Standard	Q3, Q4 2012
Transnational Auditors Committee		
Input to international standard setting <ul style="list-style-type: none"> • Representation on international standard-setting boards and task forces, providing the perspectives of the firms / Forum of Firms (FoF) 	Input through representation	Throughout 2012

Budgeted costs of 2012 services relating to Standards and Guidance (\$,000):

Direct Costs	10,199
Indirect and Overhead Costs	6,687
Total	16,886

Adoption and Implementation¹

Service Description – Adoption and Implementation	Delivery Method	Timeframe
International Auditing and Assurance Standards Board		
Staff Release	Publication	2012
Facilitation of sharing of National Standard Setter Implementation Guidance	Updated publication	Q2 2012
Meetings with European Commission, IOSCO, IFIAR, INTOSAI, TAC	Meetings	Throughout 2012
Speaking engagements (IAASB Chair, Deputy Chair, & Staff)	Presentations	Throughout 2012
International Accounting Education Standards Board		
Development of high-level adoption support for the IESs (as appropriate)	Outreach/ Consultation on adoption/Implementation model for education	Throughout 2012
Development of a process for assessing the effectiveness of the implementation of new IESs	Publication	Q4 2012
Engagement in strategic outreach for convergence, implementation and enforcement of international standards	Outreach/Consultation on convergence /Round table	Q3 2012
International Ethics Standards Board for Accountants		
Development of adoption support for the <i>Code of Ethics for Professional Accountants</i>	Support material, including visual material	2012
International Public Sector Accounting Standards Board		
Train the trainers additional modules	Course materials	Q3 2012
Financial instruments implementation guidance	Implementation Guidance	Q4 2012
Small and Medium Practices Committee		

¹ Many of the activities reported under *Representation of the Accountancy Profession* contribute or support the adoption and implementation of international standards.

Service Description – Adoption and Implementation	Delivery Method	Timeframe
Maintain update of ISA Guide	Publication	Q4 2012
Maintain update of QC Guide	Publication	Q3 2012
Update companion guide on how member bodies can make best use of the implementation guides	Publication	Q4 2012
Expand and/or update materials to support use by member bodies of implementation guides for education and training	Introductory videos, slides etc.	Q4 2012
Support the IESBA SME/SMP Working Group and collaborate in the development of any deliverables agreed by the IESBA		Throughout 2012
Research into availability and use of audit tools (checklists, software etc.)	Publication directed at member bodies	Q3 2012
Compliance Advisory Panel		
Report on the status of the adoption of international standards issued by the IAASB, IAESB, IESBA and IPSASB	Reports / Website publication	Q2, Q4 2012
Translations and Permissions Activity		
<i>Facilitating the Adoption and Implementation of Standards</i>		
<ul style="list-style-type: none"> • Facilitate the translation and reproduction of the standards and publications of IFAC into: <ul style="list-style-type: none"> ○ 21 official European Union (EU) languages ○ Major world languages in addition to EU languages (Arabic, Chinese, Brazilian Portuguese and Russian) ○ Other languages as appropriate 	Signed translation and reproduction agreements Completed translations Meetings with member bodies and other relevant organizations	Throughout 2012
<ul style="list-style-type: none"> • Provide regular updates on translation and reproduction issues to the independent standard-setting boards and National Standard Setters and other stakeholders 	Presentations at meetings Publication of Translation e-News, IFAC Updates	Throughout 2012
<ul style="list-style-type: none"> • Revise the IFAC policy statements for translation and reproduction 	Policy Statements	2012
<i>Processing Translation and Reproduction Agreements</i>		
<ul style="list-style-type: none"> • Respond to inquiries related to translation and reproduction of publications issued by IFAC 	Processed requests Signed translation and reproduction agreements	Throughout 2012

Service Description – Adoption and Implementation	Delivery Method	Timeframe
<ul style="list-style-type: none"> Review and analyze permissions requests and translation proposals for compliance with IFAC policy statements and decision on granting permission to translate or reproduce 	Processed requests Signed translation and reproduction agreements	Throughout 2012
<ul style="list-style-type: none"> Manage translation and reproduction enforcement issues as necessary 	Successful resolution of enforcement issues	Throughout 2012
<i>Providing Access to Translations and Reference Material</i>		
<ul style="list-style-type: none"> Provide an up-to-date overview of available translations of IFAC publications, standards and reference material through an enhanced web-based IFAC Translations Database 	Updates to the database Enhanced web-based IFAC Translations Database	Throughout 2012
<ul style="list-style-type: none"> Provide other reference material to assist interested parties in submitting appropriate permissions requests and translation proposals (including a sample permissions request/translations proposal and Frequently Asked Questions document) 	Up-to-date sample permission request, translation proposal and FAQ document	Throughout 2012
<ul style="list-style-type: none"> Leverage Trados as a central repository of IFAC translation assets 	Translations of selected material based on Trados content	Throughout 2012

Budgeted costs of 2012 services relating to Support for Adoption and Implementation (\$,000):

Direct Costs	1,181
Indirect and Overhead Costs	816
Total	1,997

Quality and Development

Service Description – Quality and Development	Delivery Method	Timeframe
International Auditing and Assurance Standards Board		
Liaison with key stakeholders, including the International Forum of Independent Audit Regulators (IFIAR), International Organization of Securities Commissions (IOSCO), Financial Stability Board (FSB), and other regulatory and oversight bodies	Meetings	Throughout 2012
Other investor and stakeholder outreach	Meetings and presentations	Throughout 2012
Professional Accountancy Organization Development Committee		
Advocacy and awareness building (e.g., international institutions / participation in public events)	Presentations or participation in relevant events	Throughout 2012
Advisory and technical activities targeting Professional Accountancy Organizations and relevant stakeholders in developing and emerging economies	Outreach activities aimed at members and potential members	Throughout 2012
Support of / participation in regional events	Regional events	Throughout 2012
Collaboration and dialogue with World Bank/Donor Community to implement Memorandum of Understanding	Meetings	Throughout 2012
Professional Accountants in Business Committee		
Promoting the roles of professional accountants in commerce, industry, financial services, education and the public and not-for-profit sectors	Publications, presentations, and international case studies	Throughout 2012
Integrated Governance Supply Chain and the Nature on Integrated Governance within an Organization	Consultation Paper	Q1 2012
Proposed International Good Practice Guidance (IGPG), <i>Evaluating and Improving Business Reporting</i>	Exposure draft	Q3 2012
IGPG, <i>Predictive Performance Analytics</i>	Final guidance	Q1 2012
Revised IGPG, <i>Appraisal Using DCF to reflect sustainability Issues</i>	Final Guidance	Q3 2012
IGPG, <i>Evaluating and Improving Internal Control</i>	Final Guidance	Q4 2012
Revised IGPG, <i>Evaluating and Improving Governance</i>	Final Guidance	Q4 2012

Service Description – Quality and Development	Delivery Method	Timeframe
Public Sector Governance Framework	Exposure Draft	Q4 2012
Maintenance of the IFAC Sustainability Framework	Up-to-date framework	Throughout 2012
Maintenance of the A4S/IFAC Sustainability Community website http://a4s.ifac.org/	Up-to-date website	Throughout 2012
Integration of Sustainability Into Capital Investment	Round Table	2012
Support of the Development of the International Integrated Reporting Committee	Development of Governance infrastructure/Content/Stakeholder Engagement/Outreach	Throughout 2012
Maintain support of Climate Disclosure Standards Board's Reporting Framework	Up-to-date framework	Throughout 2012
Proposed Awareness Raising Information Paper: The Environmental, Social, and Governance Disclosures Demanded by Investors and Implications for Professional Accountants in Business	Information Paper	Q1 2012
Small and Medium Practices Committee		
Update Practice Management (PM) Guide	Publication	Q4 2012
Update companion guide on how member bodies can make best use of the PM Guide	Publication	Q4 2012
Develop a series of articles for member bodies to help promote adoption of best practices by SMPs	Publications	Throughout 2012
Enhance International Center for SMPs <ul style="list-style-type: none"> • Update 'relevant links' (especially ISA implementation, business advisory and practice management) • Expand topic coverage on SME/SMP Discussion Board 	Electronic updates Electronic discussions	Throughout 2012
Maintain the IFAC SMP Twitter to increase awareness of IFAC SMP activities	Social Media	Throughout 2012
Maintain the vehicle for member body sharing of products/services (subject to being approved in 2011) <ul style="list-style-type: none"> • Make enhancements to the member body sharing vehicle and integrate into new IFAC website • Evaluate suitable materials for sharing and distribute suitable content on a 	Online member body sharing vehicle	Throughout 2012

Service Description – Quality and Development	Delivery Method	Timeframe
timely basis		
Develop materials to help member bodies assist SMPs in provision of business support	Videos, slides, publications	Throughout 2012
Compliance Advisory Panel		
Publication of initial Action Plans	Published new Action Plans	Q1 2012
Publish updates of Action Plans	Published updated Action Plans	Throughout 2012
Provide policy advice and guidance to member bodies	Staff outreach to member bodies re Action Plans / SMOs and related matters	Throughout 2012
Enforcement	Suspension/Expulsion Considerations	Throughout 2012
Assessment and due diligence of membership applications	Membership applications for approval by IFAC Council	Throughout 2012
Input to the World Bank Reports on Observance of Standards and Codes (ROSC) – Auditing & Accounting program	<ul style="list-style-type: none"> • ROSC reports where IFAC provides comments as a peer reviewer • ROSC dissemination workshops with IFAC representation • Other forms of input provided to the World Bank ROSC initiative 	Throughout 2012
Continued promotion of the value and relevance of the Member Body Compliance Program to relevant regulatory bodies	Informal and formal interactions with relevant stakeholders	Throughout 2012
Continued implementation of the Policy Statements for Regional Organizations (ROs) / Accountancy Groupings (AGs)	<ul style="list-style-type: none"> • Meetings with individual ROs / AGs • Annual ROs / AG meeting • Assessment reports received from ROs / AGs • Interactions with ROs/AGs to progress Member Body Compliance Program in their constituency • Input to PAODC Regional Strategies 	Throughout 2012

Service Description – Quality and Development	Delivery Method	Timeframe
Transnational Auditors Committee		
Collaborate with the Forum of Firms on enhancing the implementation of ISAs & ISQC 1	Communications with firms, regulators, standard setting boards, and other stakeholders as appropriate with regard to topical issues	Throughout 2012
Arrange two symposiums / workshops addressing topical audit issues	Symposiums / workshops	Q2, Q4 2012
Develop good practice paper on matters related to audit quality and related topics by the FoF and TAC	Good practice paper – Engagement Quality Control Reviews	Q4 2012
Collaboration between FoF / TAC / Global Public Policy Committee and Member Body Compliance Program to assist member bodies with firm resources as agreed between the firms and IFAC	Collaboration with firm resources	Throughout 2012
Presentations by FoF representatives promoting FoF objectives	Presentations	Throughout 2012

Budgeted costs of 2012 services relating to Quality and Development (\$,000):

Direct Costs	2,655
Indirect and Overhead Costs	1,835
Total	4,490

Representation of the Accountancy Profession

Service Description – Representation of the Accountancy Profession	Delivery Method	Timeframe
Public Policy and Regulatory Activities		
Meetings of the PIOB	IFAC representatives' attendance at / participation in meetings	Throughout 2012
Meetings of the IFRS Advisory Council	IFAC representatives' attendance at / participation in meetings	Throughout 2012
Meetings of the IFAC Regulatory Liaison Group (IRLG) and meetings of the IRLG and the Monitoring Group	Meetings as per the IRLG terms of reference	2012
National and international meetings, roundtables, seminars and conferences	Officers' and senior management's attendance at / participation in events	Throughout 2012
Maintenance of regulatory and other relationships, including: <ul style="list-style-type: none"> • African Development Bank • Asian Development Bank • Basel Committee on Banking Supervision • European Commission • Financial Stability Board • Global Public Policy Committee • IFRS Foundation • Institute of Internal Auditors • Inter-American Development Bank • International Accounting Standards Board • International Association for Accounting Education and Research • International Corporate Governance Network • International Federation of Independent Audit Regulators • International Monetary Fund • International Organization of Securities Commissions • International Organization of Supreme Audit Institutions • International Valuation Standards Council • Monitoring Group 	Meetings and other interactions	Throughout 2012

Service Description – Representation of the Accountancy Profession	Delivery Method	Timeframe
<ul style="list-style-type: none"> • Organization for Economic Co-operation and Development • Prince of Wales Accounting for Sustainability (A4S) project • Transparency International • United Nations • UN Conference on Trade and Development • World Bank • World Federation of Exchanges 		
Public Policy Positions and External Submissions		
Develop IFAC Position Papers	Papers	2012
Respond to comment letters and activities of stakeholder organizations	Letters / reports	Throughout 2012
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD		
Communication initiatives relating to auditing, assurance and related services standards	Publication	Throughout 2012
IASB Monitoring – specific project and annual review of trends	Comment letters	Throughout 2012
Promotion of IFAC's Public Interest Activities		
INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD		
Meetings with the IAASB Consultative Advisory Group	Public meetings	Q1, Q3 2012
Meeting with National Standard Setters	Meeting	Q2 2012
Meetings with International Accounting Standards Board	Meetings	Q1, Q3 2012
Participation in meetings and presentations and speeches at various national and international forums, seminars and conferences	Presentations	Throughout 2012
Meetings with various stakeholders, including regulators, oversight bodies, standard setters, professional organizations, and firm representatives	Meetings	Throughout 2012
INTERNATIONAL ACCOUNTING EDUCATION STANDARDS BOARD		
Meetings with the IAESB Consultative Advisory Group	Public meetings	Q1, Q3 2012
Collaboration on Accounting Education Research Projects	Research workshops with IAAER and other	Q4 2012

Service Description – Representation of the Accountancy Profession	Delivery Method	Timeframe
	academic accounting associations	
Participation in meetings and presentations and speeches at various national and international forums, seminars and conferences	Presentations	Throughout 2012
Meetings with various stakeholders, including regulators, oversight bodies, standard setters, professional organizations, and firm representatives	Meetings	Throughout 2012
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS		
Meetings with the IESBA Consultative Advisory Group	Public meetings	Q1, Q3 2012
Meetings with National Standard Setters	Meeting	Q2 2012
IFAC SMP Committee Forum	Participation in forum	Q1 2012
Meetings of the PCAOB	IFAC representatives' attendance at / participation in meetings	Q2 2012
Participation in meetings and presentations and speeches at various national and international forums, seminars and conferences	Presentations	Throughout 2012
Meetings with various stakeholders, including regulators, oversight bodies, standard setters, professional organizations, and firm representatives	Meetings	Throughout 2012
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD		
Participation in meetings and presentations and speeches at various national and international forums, seminars and conferences	Presentations	Throughout 2012
Meetings with various stakeholders, including regulators, oversight bodies, standard setters, professional organizations, and firm representatives	Meetings	Throughout 2012
PROFESSIONAL ACCOUNTANCY ORGANIZATION DEVELOPMENT COMMITTEE		
Contact with current and potential member organizations	Formal contact with current or potential member organizations or their key stakeholders	Throughout 2012
PROFESSIONAL ACCOUNTANTS IN BUSINESS COMMITTEE		
Promoting IFAC PAIB strategy and activity, including:	IFAC representatives' attendance at /	Throughout 2012

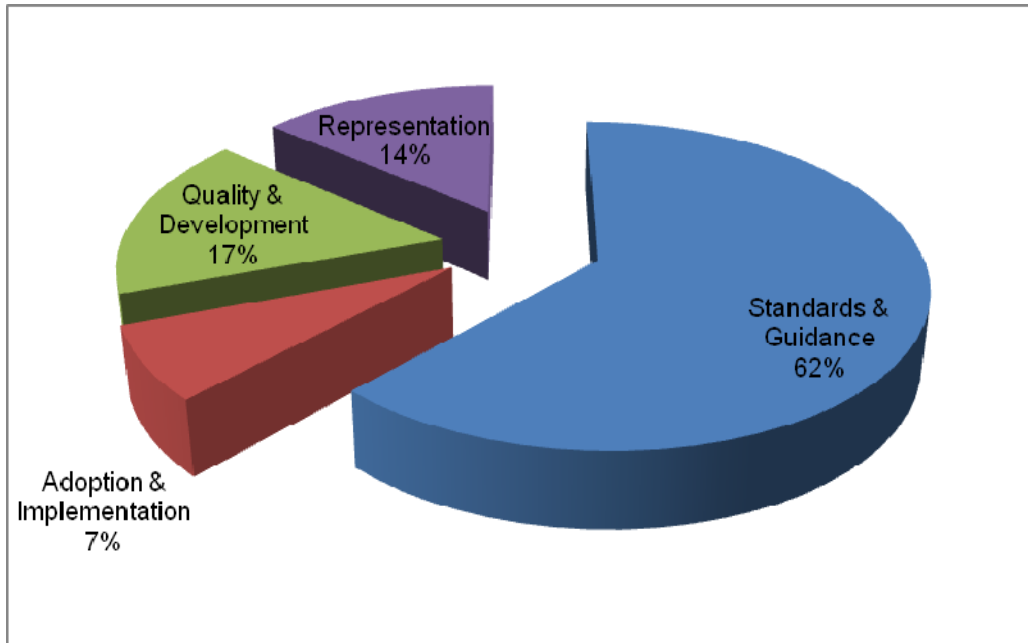
Service Description – Representation of the Accountancy Profession	Delivery Method	Timeframe
<ul style="list-style-type: none"> Liaison with Indian Ministry of Finance and local PAIB committee in India, as well as SAFA Support the promotion of integrated reporting and raising awareness of the work of the IIRC 	participation in events	
Promoting the role of professional accountants in sustainability, including: <ul style="list-style-type: none"> Key member body conferences focused on sustainability, or those with sustainability aspects included Sustainable development related conferences organized by the UN Department of Economic and Social Affairs, UN Conference on Trade and Development, Organization for Economic Co-operation and Development and the World Bank 	IFAC representatives' attendance at / participation in events	Throughout 2012
Facilitating global alignment of risk management and internal control guidance. As confirmed by IFAC's survey, the COSO Framework and the ISO 31000 Standard are among the most important frameworks in this area. Further global alignment needs involvement of these two parties.	Participating in review of COSO Internal Control Framework Participating in ISO 31000 <i>Risk Management Project Group</i>	Throughout 2012
SMALL AND MEDIUM PRACTICES COMMITTEE		
Participation in meetings and presentations and speeches at various national and international forums, seminars and conferences	Presentations	Throughout 2012
IFAC SMP Forum (with member body co-host, member body sponsors, and ROs / AGs)	Forum	Q2 2012
Promote awareness and value of SMEs and the SMPs that support them to SMEs, regulators and governments including establishing relationships with reputable global SME organizations	Outreach/meetings/presentations/videos/polls	Throughout 2012
COMPLIANCE ADVISORY PANEL		
Events of member organizations, ROs, AGs, and other relevant organizations	Attendance at / participation in events	Throughout 2012
Meetings with regulators and other stakeholders (including participation in World Bank and other funded projects)	Attendance at / participation in events	Throughout 2012

Budgeted costs of 2012 services relating to Representation of the Accountancy Profession (\$,000):

Direct Costs	2,344
Indirect and Overhead Costs	1,444
Total	3,788

The allocation of total expenses across the four service areas is illustrated below:

Service Area Allocations



Communications – Effective and efficient communication with a wide-ranging audience

IFAC's communications activities support its overall strategy by promoting the value of and adherence to high-quality international standards; increasing awareness of the accountancy profession's many roles and, in particular, its contributions to economic growth and development; and facilitating collaboration and ongoing dialogue with IFAC stakeholders through the website and various other electronic print media. IFAC's communications are targeted to a wide-ranging audience that includes member bodies and associates, regional accountancy organizations, firms, the media, regulators, standard setters, development agencies, academics, professional accountants, and various international organizations. Communication activities planned for 2012 are set out below. The cost of these activities is included in the indirect and overhead costs presented on the preceding pages.

Communications Activity	Timeframe
Media Relations	
Interviews, press conferences, and press releases	Throughout 2012
Letters to the editor, editorials, and articles	Throughout 2012
Prepare for and respond to issues and "crises"	Throughout 2012
Members, Associates, Regional Organizations, Accountancy Groupings and Other Stakeholders	
2012 Global Leadership Survey	Q4 2012
Distribute announcements / notices of key developments	Throughout 2012
Build relationships and enhance collaboration on communication initiatives	Throughout 2012
Promotion and Marketing	
Develop communications to support the delivery of standards and guidance	Throughout 2012
Develop communications to support the delivery of adoption and implementation material / initiatives	Throughout 2012
Develop communications to promote the value of professional accountants (including PAIBs and SMPs) worldwide	Throughout 2012
Develop communications to support IFAC's key policy positions	Throughout 2012
Articulate IFAC's vision, mission, values and overall brand in product design and messages	Throughout 2012
Explore advertisement placement in key trade publications, websites and directories	Throughout 2012
Continue to explore and experiment with new formats / vehicles to enhance IFAC's brand, image and credibility, increase exposure for IFC's messages and platforms, promote and market IFAC standards and other deliverables, and deliver IFAC news (including digital reader production tools, webinars, podcasts, Twitter, social networking sites, etc.)	Throughout 2012

Communications Activity	Timeframe
Communications Material and Reports	
IFAC Newsletter	Throughout 2012
IFAC Update	Throughout 2012
Global Digest	Throughout 2012
Activity eNews	Throughout 2012
IFAC Fact Sheets	Throughout 2012
Website Development and Enhancements	
Update of pages on an ongoing basis to reflect the release of new publications and other changes	Throughout 2012
Translation of core IFAC communications into official UN languages	Throughout 2012

Section 4 Organizational and Staffing Plans

Organizational Plan – Implement governance and management policies, which continue to enable IFAC to manage its resources effectively, efficiently, and economically in achieving its strategy

IFAC reviews, maintains, and enhances its governance and management structures on a continuous basis so as to achieve its strategy. This includes (a) development and maintenance of its capabilities (human, knowledge, physical, and financial) on a continuous basis, (b) control and enhancement of financial performance, (c) implementation of a sound policy and process infrastructure, and (d) an integrated approach to managing risks.

Description	Measure	Timeframe
Organizational governance structures		
<ul style="list-style-type: none"> Ensure that IFAC activities comply with the Constitution and Bylaws 	Monitor all activities that draw on the Constitution and Bylaws and report as appropriate	Ongoing
<ul style="list-style-type: none"> Monitor the need for amending the Constitution and Bylaws 	Process and report on amendments to the Constitution and Bylaws following due consideration	Board meetings
<ul style="list-style-type: none"> Maintain high-quality governance and management processes and procedures to support IFAC operations 	Report on governance and management policies, processes, and procedures as necessary	Ongoing
Development and maintenance of capability – human, knowledge, physical, and financial		
<ul style="list-style-type: none"> Continued development of IFAC staff 	Apply an ongoing performance management process Implement and maintain a staff development and continuing education policy	Ongoing
<ul style="list-style-type: none"> Recruitment and retention of highly qualified staff 	Implement a recruitment strategy appropriate to the level and expertise required for the position Identify and act on initiatives to ensure retention of highly qualified staff Perform succession planning at all managerial levels, but particularly at the senior management level, and in relation to volunteers on boards and committees	Ongoing
<ul style="list-style-type: none"> Ongoing management of the balance between resources and service delivery expectations 	Report on staff resources and project loads as necessary	Ongoing

Description	Measure	Timeframe
<ul style="list-style-type: none"> Maintenance of IFAC's physical workplace and equipment to provide appropriate facilities and atmosphere to achieve staff objectives 	<p>Continue to maintain the physical workspace and equipment</p> <p>Monitor and report on the need for expansion of physical workspace and equipment in accordance with the needs of the organization</p>	Ongoing
<ul style="list-style-type: none"> Development and implementation of information systems and processes that support the maintenance of important IFAC information 	Develop and implement appropriate systems and processes on a continuous basis	Ongoing
<ul style="list-style-type: none"> Maintain appropriate financial management policies, processes, and procedures 	Monitor, update and report on financial management policies, processes, and procedures, as necessary	Audit Committee, PFC and Board meetings
Financial performance		
<ul style="list-style-type: none"> Appropriately develop and implement the budget 	Report on budget development and implementation	PFC and Board meetings
<ul style="list-style-type: none"> Continued monitoring and development of IFAC funding sources 	Report on funding developments	PFC and Board meetings
Risk management		
<ul style="list-style-type: none"> Continued monitoring and management of significant risks that affect IFAC 	Report on significant risk management matters as per the IFAC Risk Policy	PFC and Board meetings

Staffing Plan – Define positions that support the achievement of the strategy, and fill them with highly professional, experienced staff that is able and willing to remain with the organization for a term sufficient to achieve the strategy

Management recognizes the need to define the structure of the staff so as to provide clear leadership, appropriate levels of time and expertise, and economical allocation of both. The majority of new positions for this strategic plan period have been filled during 2011. In addition to normal attrition and replacement of staff, it is anticipated that an Administrative Assistant to be shared by the Public Policy and Regulation and Quality and Member Relations departments will be appointed during 2012. An additional Technical Manager for IPSASB is planned for 2013. These appointments are subject to a range of factors, including recruitment strategies, identification of and acceptance by appropriately qualified candidates, securing the necessary work permits, and relocation constraints.

At the end of 2012, it is anticipated that the staff structure will include 75 positions. Currently, IFAC has 74 filled or vacant positions. The staff structure as at September 2011 is included in the appendix.

Section 5 Budget Introduction

During the planning period preceding the development of the Strategic Plan for 2011-2014, IFAC (a) conducted extensive external and internal consultations, (b) carefully considered the pressures on the organization, and (c) monitored the environment and global expectations on the organization's future. These factors led to the development of a strategic plan which includes a number of enhanced and new services, as well as an increase in the level of activity in many of the existing services. Many of the activities which were deferred in recognition of the impact of the global financial crisis have been brought forward into this strategic plan period.

Management has developed detailed activity work plans and budgets for 2012, and indicative budgets for 2013 and 2014. While the budgets for 2012 have been determined from a zero base, the expense increases generally relate to one of the following four categories: expenses associated with existing commitments; expenses associated with enhanced or new activities; the need to invest in organization capacity (human and physical assets); and cost increases (including the impact of currency fluctuations).

In developing the detailed activity work plans and budgets, management's aim was to deliver on the key commitments made in the Strategic Plan for 2011-2014, while respecting the state of economic recovery. To this end, total expense budget increases for 2012-2014 have been kept to a minimum. Significant increases in the IFAC Activities Expense budget relate to reimbursement of task force travel for the IESBA (as is currently the case for the IAASB), increased travel to support adoption and implementation, and participation in the integrated reporting initiative. The costs associated with the office expansion in New York have a significant effect on the Indirect and Overhead Cost budget.

For 2012, the total expense budget increases by 10% over the budget for 2011. The increases in members' and the Forum of Firms' contributions are 5.55% and 3.75% respectively in 2012. To limit the increases, management has committed to obtain 1% of the total expense budget from alternative sources of revenue or cost recovery in 2012 (1.5% in 2013 and 2% in 2014). In addition, the costs associated with the office expansion in New York will be covered by the unrestricted reserves.

Effect of the Monitoring Group's Review of the Effectiveness of the 2003 IFAC Reforms

The budgets for 2012 do not include any expenses that may be necessary to respond to the findings of the Monitoring Group's review of the effectiveness of the 2003 reforms, or to establish public interest oversight of the IPSASB. The detailed activity work plans for 2012 includes the development of such responses, however, in 2012 the related expenses will be absorbed in staff costs.

The indicative budgets for 2013 and 2014 each include an amount in excess of \$500,000 to implement the Monitoring Group's recommendations. This provides for a part-time remunerated chair for the IESBA, a small stipend for public members of the Public Interest Activity Committees, a change in meetings of the Consultative Advisory Groups and in other operating procedures, feedback on exposure draft comments to individual members of the Monitoring Group, and the development of Feedback Statements.

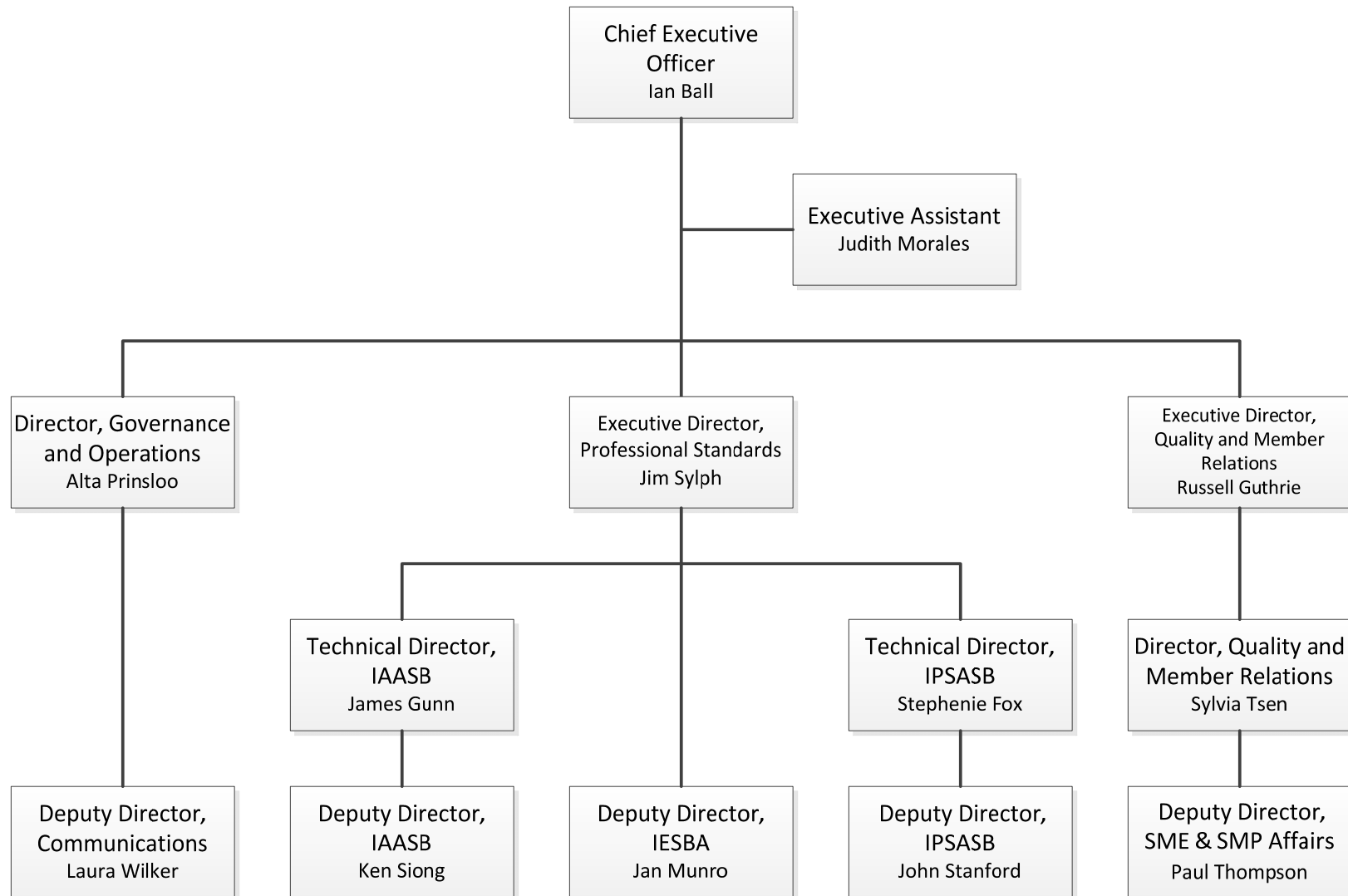
In addition, the indicative budgets for 2013-2014 each include \$950,000 for the establishment of oversight for the IPSASB. However, the budgets for 2012-2014 each assume that IFAC's contribution to the IPSASB would be limited to \$1,000,000 per year.

To accommodate the significant increase in expenses to implement the Monitoring Group's recommendations, the budgets for 2012-2014 assume that the PIOB would succeed in sourcing

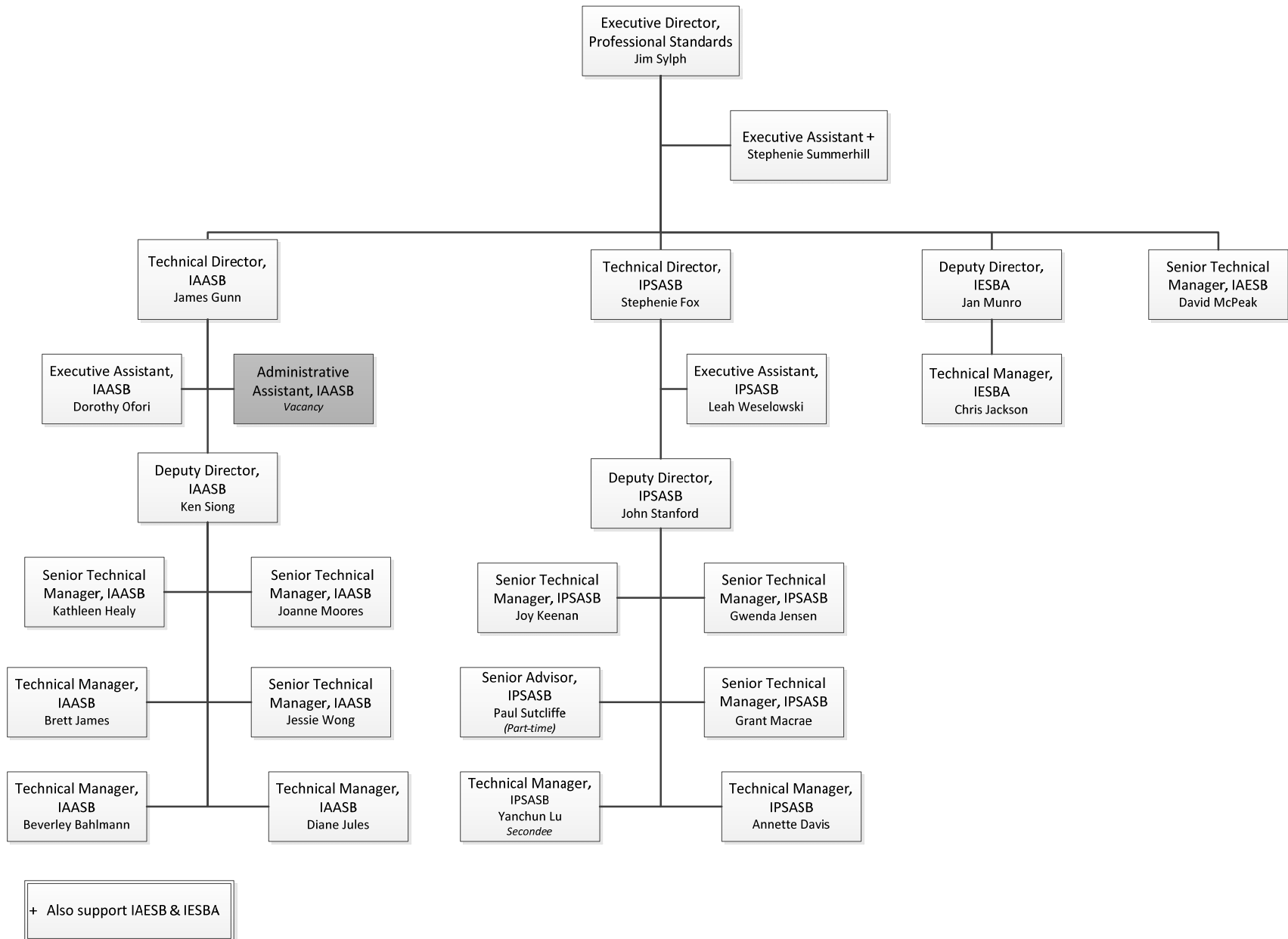
alternative funding to the extent of 20%, 30% and 40% of its budget for 2011 in 2012, 2013 and 2014 respectively.

Appendix Staff Structure (as at September 2011)

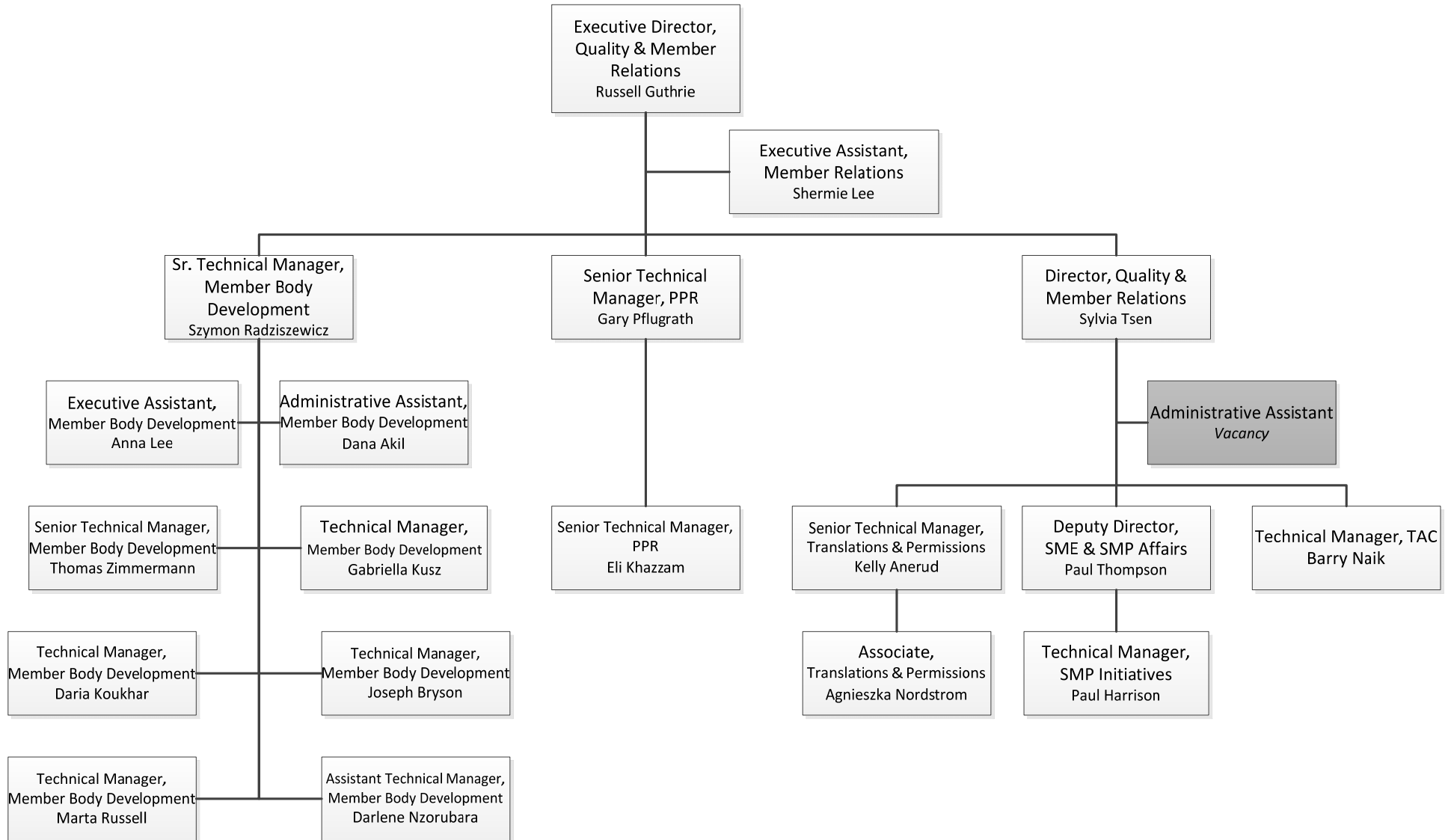
Management



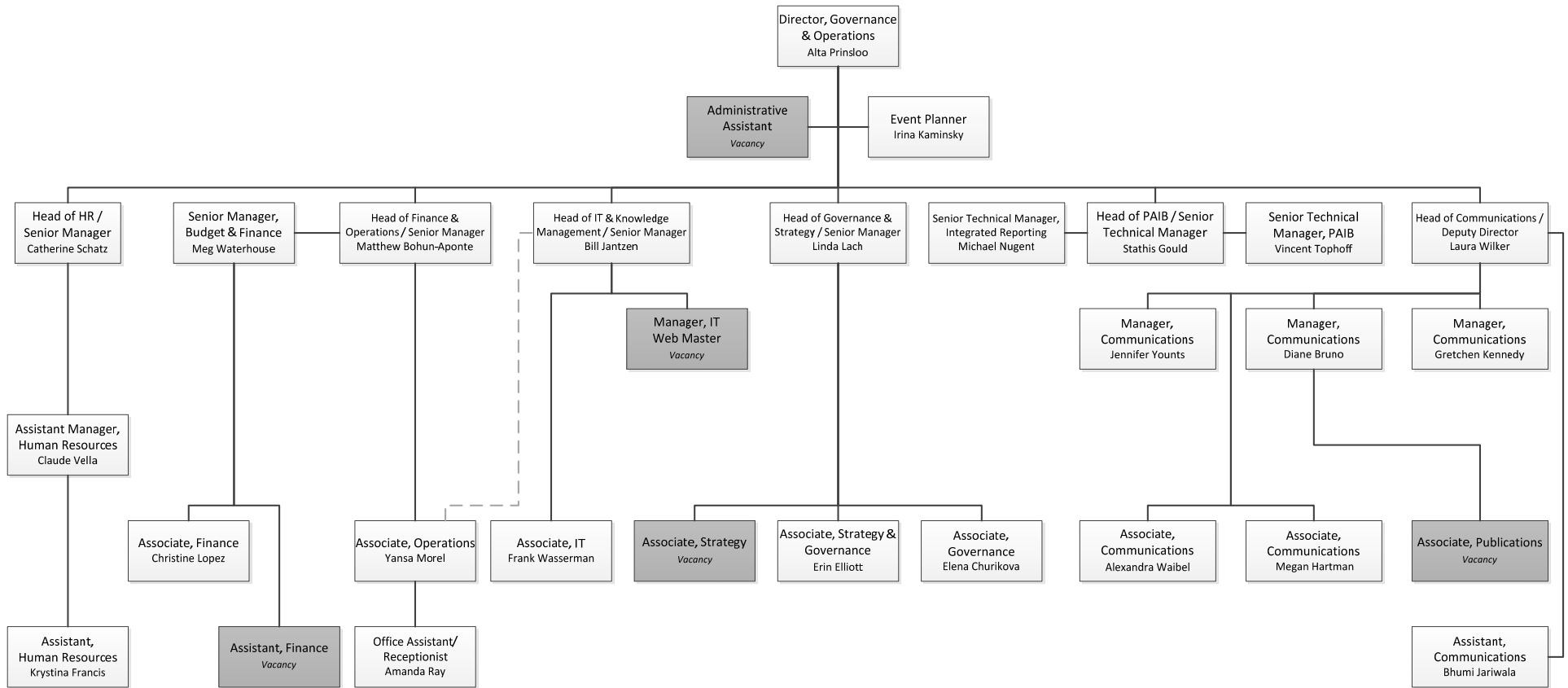
Professional Standards



Quality and Member Relations



Governance and Operations





**International
Federation
of Accountants**

545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
Tel +1 (212) 286-9344
Fax +1 (212) 286-9570
www.ifac.org