

January 2018

IFAC Member Compliance Program: 2018 Work Program

IFAC serves the public interest and strengthens the accountancy profession by:

- Supporting the development of high-quality international standards;
- Promoting the adoption and implementation of these standards;
- Building the capacity of professional accountancy organizations; and
- Speaking out on public interest issues.

IFAC MEMBER COMPLIANCE PROGRAM: 2018 WORK PROGRAM

Strategic Objectives for 2016–2018

1. The *IFAC Member Compliance Program Strategy: 2016–2018* (*2016–2018 Strategy*) was prepared in alignment with the IFAC Strategy to ensure consistency with the organization's direction and priorities. The *2016–2018 Strategy* was exposed for public consultation in 2015 for a 60-day period. Seventy-one responses were received unanimously supporting the proposed strategic objectives for 2016–2018. On September 7, 2015, the Public Interest Oversight Board (PIOB) confirmed that the *2016–2018 Strategy* was developed in accordance with due process and with proper regard for the public interest.
2. The strategic objectives, initiatives, and projects envisioned for 2016–2018 reflected a shift in emphasis of the IFAC Member Compliance Program (Program). While the first 10 years of the Program's existence centered on information gathering and development of Statement of Membership Obligations (SMO) Action Plans, the Program now focuses on:
 - (a) Enhancing monitoring of member organizations' compliance with membership requirements, including the *Statements of Membership Obligations*, and strengthening the Program's enforcement framework;
 - (b) Enhancing reporting on the status of adoption of international standards, quality assurance (QA), and investigative and disciplinary (I&D) systems; and
 - (c) Increasing support for adoption and implementation efforts of member organizations and national authorities.

IFAC Member Compliance Program—Developing Annual Work Programs

3. Consistent with IFAC's Strategy implementation approach, the Quality & Development (Q&D) staff, with the advice and oversight of the CAP, prepare annual work programs to implement the *2016–2018 Strategy*.
4. The Q&D staff are guided by three factors in preparing annual work programs to advance the strategic objectives:
 - Greater emphasis on matters and initiatives that maintain the Program's relevance and advance IFAC's Strategy;
 - Collaboration with other IFAC groups and stakeholders where their knowledge and expertise can contribute to meeting the Program's objectives; and
 - Maintaining resource use at current levels.
5. The annual work programs are developed taking into consideration feedback from IFAC member organizations, Regional Organizations (ROs), Accountancy Groupings (AGs), and other stakeholders provided during the 2015 strategy consultation process as well as on an ongoing basis.
6. The annual work programs are used to identify and agree on key performance indicators (KPIs) with the IFAC Board. The Q&D staff provide progress reports on key initiatives at each CAP meeting. More specific timelines and resource needs for new initiatives, including those outlined in the 2018 Work Program, are communicated to the CAP on a regular basis. Any necessary changes in planned initiatives or timelines are also discussed with the CAP. In line with the CAP Terms of Reference, the

CAP annually reports on the status of implementation of the annual work program and progress made in achieving the strategic objectives to the IFAC Board and the PIOB.

7. Q&D staff are also responsible for several core activities in support of the Compliance Program, the work of the CAP, and other IFAC membership-related processes. These core activities will continue to be carried out throughout the course of the year and consultations will be held with the CAP as necessary. These core activities include:
- Reviewing SMO Action Plans for publication and preparing Dashboard Reports (DBRs);
 - Monitoring membership compliance risks and recommending enforcement actions to the IFAC Board as necessary;
 - Assessing membership applications for admission recommendations to the IFAC Board;
 - Addressing complaints received regarding member organizations;
 - Liaising with ROs and AGs on matters related to the implementation of the Compliance Program;
 - Providing information, knowledge, and support to IFAC leadership for speaking engagements, outreach, events, and other matters;
 - Supporting four CAP meetings during the year, including preparing agenda papers and engaging with internal and external stakeholders; and
 - Reporting to the IFAC Board and the PIOB on the strategy implementation matters.

Focus of 2018 Activities

8. The focus for 2018 will be:
- (a) *Implementation of the Enhanced Enforcement Framework*: staff will continue to monitor the level of SMO fulfillment of IFAC member organizations with the objective to provide support to those PAOs that experience challenges in meeting their obligations to IFAC through developing additional guidance, outreach activities, and connecting them with donor community and other resources.
 - (b) *Advanced analysis and enhanced reporting on the status of adoption and SMO fulfillment*: staff will continue to prepare DBRs as part of the SMO Action Plan update process. DBRs will continue to inform Member Organization and Country Profile webpages and the annual Adoption and SMO Fulfillment Report. More focus will be placed on producing analysis of data collected through the Program and enhancing the Program's external communication activities.
 - (c) *Review of Compliance Program Tools*: the staff will review the format of the SMO Action Plan and explore the potential of using other tools for data collection and reporting.

2018 Work Program

Strategic Initiative	Actions	Timeline
A. <i>Enhancing monitoring of member organizations' compliance with membership requirements, including the SMOs, and strengthening the Program's enforcement framework</i>		
Maintain Integrity of the Member Compliance Program	<ul style="list-style-type: none"> Present Adoption and SMO Fulfilment Status Report to the IFAC Board and the PIOB 	Q4
Maintain Integrity of Self-Assessment Process and Tools	<ul style="list-style-type: none"> Review the format of SMO Action Plans, exploring the potential of using other tools for data collection and reporting 	Q1–Q4
	<ul style="list-style-type: none"> Develop additional guidance for member organizations to assist in conducting self-assessments against international standards such as IES Assessment Tool 	Q1–Q4
Implement the Enforcement Framework	<ul style="list-style-type: none"> Review the results of implementation of the new enforcement framework 	Q1–Q4
B. <i>Enhancing reporting on the status of adoption of international standards as well as QA and I&D systems</i>		
Improve Usefulness and Accessibility of Member Compliance Program Information	<ul style="list-style-type: none"> Create and disseminate reports and publications on the adoption of international standards 	Q1–Q4
	<ul style="list-style-type: none"> Produce adoption status reports for the independent standard-setting boards 	Q1–Q4
Enhance Member Compliance Program Communications	<ul style="list-style-type: none"> Maintain and update the Member Compliance Program and Member Organization and Country Profile webpages on an ongoing basis 	Q1–Q4
	<ul style="list-style-type: none"> Promote work of the IFAC Member Compliance Program through Member Compliance Program section of the IFAC website, newsletters, social media, and other communication means 	Q1–Q4
	<ul style="list-style-type: none"> Develop and disseminate additional guidance for member organizations to support their adoption and implementation efforts 	Q2–Q4
	<ul style="list-style-type: none"> Promote work of member organizations to fulfil SMOs through Member Compliance Program section of the IFAC website, newsletters, social media, and other communication means 	Q1–Q4

C. Increasing support for adoption and implementation efforts of member organizations and national authorities		
Outreach to IFAC Member Organizations	<ul style="list-style-type: none"> Conduct outreach activities based on (1) analysis of SMO fulfilment status and (2) requests from member organizations and other stakeholders 	Q1–Q4
	<ul style="list-style-type: none"> Develop and conduct workshops and webinars to provide support in the process of adoption and implementation of international standards as well as in achieving compliance with SMOs 	Q1–Q4
Collaboration with Other IFAC Activities Areas, Independent Standard Setting Boards (SSBs), Partners, and Stakeholders	<ul style="list-style-type: none"> Contribute information and knowledge to IFAC leadership, other IFAC areas, and SSBs to facilitate implementation of their respective outreach strategies 	Q1–Q4
	<ul style="list-style-type: none"> Consult SSBs to ensure that the adoption assessment methodology is up-to-date and identify opportunities for collaboration, such as sharing information from DBRs related to challenges and successes in adoption 	Q1–Q4
	<ul style="list-style-type: none"> Work with IFAC Committees and other IFAC areas such as PAO Capacity Building, GAP-S, Global Representation and Advocacy, PAIB, among others, to leverage complementary interests and efforts to assist member organizations 	Q1–Q4
	<ul style="list-style-type: none"> Identify opportunities to work with the development agencies to exchange information, and collaborate on events that focus on SMO-related issues, and other initiatives such as peer review of World Bank ROSCs, ROSC 2.0 project, among other initiatives 	Q1–Q4
	<ul style="list-style-type: none"> Collaborate with ROs and AGs to address regional challenges, including consideration of co-hosting workshops and meetings 	Q1–Q4
	<ul style="list-style-type: none"> Collaborate with other organizations such as WTO as opportunities arise 	Q1–Q4

Exposure Drafts, Consultation Papers, and other IFAC publications are published by, and copyright of, IFAC.

IFAC does not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The IFAC logo, 'International Federation of Accountants', and 'IFAC' are registered trademarks and service marks of IFAC in the US and other countries.

Copyright © January 2018 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document. Contact permissions@ifac.org.

ISBN: 978-1-60815-351-0

Published by:





529 Fifth Avenue, New York, NY 10017
T + 1 (212) 286-9344 F +1 (212) 286-9570
www.ifac.org