

June 2017

Regional Organizations— Policy Statement



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.

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Background

IFAC has long acknowledged the role which regional accountancy organizations can play in promoting IFAC's mission of the development and enhancement of the profession to enable it to provide services of consistently high quality in the public interest. As such, the IFAC Constitution and Bylaws provide for recognition of Regional Organizations.

IFAC is the acknowledged world-wide organization for the accountancy profession. Regional Organizations, on the other hand, represent the profession in the respective regions before regional governmental and developmental bodies. IFAC acknowledges that each region may have unique characteristics with respect to their membership, level of development, geographical coverage and governance arrangements. However, all Regional Organizations should share consistent objectives and strategies consistent with those of IFAC.

This policy statement has been prepared to:

- Define the criteria under which a Regional Organization may be recognized by IFAC, and
- Specify the obligations of the Regional Organization and IFAC upon such recognition.

Criteria for IFAC Recognition

IFAC wishes to have a limited number of Regional Organizations which represent the major geographic regions of the world. In considering recognition and assessing how each Regional Organization meets its obligations, IFAC recognizes that each Regional Organization has a unique history and undertakes specific activities to serve the needs of its members.

To obtain IFAC recognition, a Regional Organization shall formally request recognition by the IFAC Board and should demonstrate that:

- Its mission and values are clearly aligned with the mission and values of IFAC.
- It is actively involved in the development and enhancement of the accountancy profession in the region.
- It is committed to establish strategies and work programs that are aligned with the strategies and work program of IFAC.
- It is generally representative of the accountancy profession in the region it purports to cover.
- The majority of accountancy bodies which are members of the Regional Organization are already also members of IFAC.
- It is well established, both financially and technically, has functioned for a reasonable period of time, and has the infrastructure and organizational/financial resources to participate in IFAC activities and to effectively fulfill its responsibilities.
- It has an appropriate governance structure.

The Board has delegated the initial consideration of applications for recognition to the Compliance Advisory Panel (CAP). In carrying out its role, the CAP will ask that the application be supported by appropriate documentation such as, Constitution and By-laws, financial statements, organization charts, membership statistics, etc.

Other Considerations

Consistency of Membership Criteria

In general, IFAC would expect that the membership criteria for Regional Organizations be consistent with those of IFAC. It acknowledges, however, that national accountancy bodies at an earlier stage of development would normally be admitted to membership in the Regional Organization before achieving IFAC membership. Regional Organizations should play an important role in the mentoring and development of national accountancy bodies in their region.

Obligations

Upon recognition by IFAC, a Regional Organization should:

- Prepare and provide to IFAC a strategic plan and work program that is aligned¹ with the strategic plan and work program of IFAC. Subject to available resources, it would normally be expected that one or more of the Regional Organization's activities would be in direct support of IFAC's activities. Examples would include:
 - Supporting the dissemination of IFAC and IASB standards
 - Supporting translation of IFAC and IASB standards
 - Cooperation in the execution of regional quality assurance programs
 - Proactively mentoring and developing national accountancy bodies
 - Assisting members to prepare and execute Action Plans as required by the IFAC Member Compliance Program
 - Providing input to and participating in IFAC Boards and Committees in those instances where a regional representation or viewpoint would be appropriate
- Engage with IFAC to identify and pursue opportunities for collaboration on shared strategic objectives, and providing information on past and future planned activities for inclusion in IFAC's reports on regional engagement.
- Assist IFAC in relationships and communications with member bodies and potential member bodies in the region.
- Where certain countries in the region are not represented in the Regional Organization, demonstrate a commitment to bring professional accountancy organizations in these countries into membership.
- As requested, permit the IFAC President, or his/her designate, to attend Council (or equivalent governing body) meetings.
- Provide input or encourage their members to provide input on the exposure drafts or other consultations from IFAC and IASB.

¹ "Alignment" in this context means that one or more elements of the regional organization's strategic plan and work program will be in direct support of IFAC's strategic plan and work program. IFAC recognizes that the regional organizations may have additional strategic objectives that are outside the scope of IFAC's strategy, but these objectives should not be in conflict with those of IFAC.

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- Send a representative, preferably the President of the Regional Organization, to attend IFAC Board meetings and participate in meetings with the President, Deputy President, Chief Executive and Committee Chairs. The representative may be accompanied by one technical advisor.
- Encourage participation by IFAC members in the annual IFAC nomination process.
- Advise IFAC of (a) any proposed changes in the Regional Organization's Constitution, membership and governance structure, (b) any matters that may affect the regional organization's ability to meet the minimum criteria or obligations under the Regional Organizations – Policy Statement, and (c) any matters that otherwise may be of relevance to ongoing engagement with IFAC.
- Submit annual audited financial statements at the time such statements are provided to the members of the Regional Organization.

Upon recognition of the Regional Organization, IFAC should:

- Provide the Regional Organization with copies of all IFAC technical pronouncements and other administrative communications as well as minutes and other papers related to the IFAC Board.
- Advise and consult with the Regional Organization on any proposed changes in the IFAC Constitution and of any proposed changes in membership.
- As requested and to the extent practicable, provide assistance to the Regional Organization in carrying out their mission.
- As requested and to the extent practicable, identify speakers and other representatives for regional conferences and seminars to promote the cohesion between IFAC and the Regional Organization.
- Advise the Regional Organization of Nominating Committee activities including the annual Call for Nominations for the IFAC Board, Committees and Compliance Advisory Panel.
- Involve the Regional Organization in the development of IFAC's strategy and operation plan, including participation in the annual Chief Executives meeting.
- Consult with the Regional Organization on applications for IFAC membership and acknowledgement of Acknowledged Accountancy Groupings for organizations within their region.
- Consult with the Regional Organization on discussions with development banks pertaining to matters within their region.
- Involve the Regional Organization, to the extent practical, in IFAC activities with member organizations within their region.

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