High-quality reporting should transparently demonstrate how organizations preserve and create value over time. As a global advocate for integrated reporting, IFAC’s 2017 annual review is designed to offer information on our financial, human, social and intellectual capitals alongside our strategic objectives, governance arrangements and financial highlights. It also describes how we strengthen organizations and enhance economies by supporting and empowering our member organizations and the global accountancy profession in the public interest.

This review is part of our 2017 suite of reporting, which also comprises our Financial Statements for the year ended December 31, 2017, available on the IFAC website. With this annual review, we are continuing a journey of more fully implementing the integrated reporting principles and concepts IFAC advocates for globally—those set out in the International Integrated Reporting Council’s Integrated Reporting Framework.
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Forty years ago national accounting organizations across the globe identified the need for one global voice to represent professional accountants. The concept was to bring together the global profession to facilitate international business and economic growth and, importantly, protect the public interest in global financial conversations.

IFAC—the International Federation of Accountants—was born from those conversations in October 1977, starting a journey of excellence that has seen the organization grow to represent nearly 3 million accountants in more than 175 member organizations and 130 jurisdictions.

Over last 40 years, IFAC’s mission has included supporting global standards for audit, accounting education, ethics and public sector accounting, robust programs that develop the profession worldwide, speaking into global conversations on topics crucial to the profession, such as taxation, regulation, business reporting, and cybersecurity, and helping drive standards adoption and implementation—crucial to their global success.

This journey of excellence has also resulted in strong advocacy for the profession. Professional accountants make a measurable, positive difference in the growth and strength of economies, playing key roles nationally, regionally, and globally.

Together, we’ve:

- Participated in international debates on taxation, good governance, smart regulation, and how to support small businesses and the public sector.
- Helped nurture and expand accountancy in emerging markets to better support the needs of economies and markets.
- Supported the adoption and facilitated the implementation of international standards in the more than 130 jurisdictions represented by IFAC member organizations.

In 2017, this journey took us to new places. We’ve:

- Assessed adoption rates for the international standards, determining a noteworthy increase in adoption over the last few years.
- Engaged with the G20 ministers on key issues, including tackling fraud and corruption, focusing on small business growth, and the need for smart regulation.
- Expanded the successful #BuildTrust campaign into 2018 and added the element of #InspireConfidence.
- Developed communications toolkits for IFAC members to amplify initiatives and campaigns globally.
- Helped professional accountants address and adapt to technological advances.

Thank you for your continued support and partnership over the last 40 years. We look forward to our next 40.
Long before the word “globalization” entered everyday use, 63 national accountancy organizations recognized the need to support increasing international business with global audit guidelines. They also believed ethical accountancy practices should transcend national borders.

A global voice representing professional accountants was required to achieve these goals and, in 1977, IFAC was founded. Our first five-year plan was both ambitious and clear. It had 10 goals that included:

- Developing guidelines for international auditing;
- Establishing the basic principles that should be included in the codes of ethics of any IFAC member organization;
- Fostering closer relationships with financial statement users; and
- Expanding IFAC’s membership.

With the tremendous support of many thousands of volunteers over the last 40 years, IFAC has certainly achieved those goals. But perhaps its biggest achievement is that the accountancy profession—and its international standards—is recognized as essential to a stable, prosperous, global economy.

In what was an extremely busy year, IFAC’s work continued to reflect many of those original goals. Fittingly, IFAC produced its first ever International Standards: 2017 Global Status Report—a document that, among many other things, highlights the level of adoption of the global standards envisaged by IFAC’s founding member organizations.

We grew the international family, welcoming an associate from Lithuania and granting membership to professional accountancy organizations in Montenegro and Sri Lanka—the latter becoming our third Sri Lankan member.

Supporting core constituencies, including small- and medium-sized practices and professional accountants in business, IFAC’s Global Knowledge Gateway approached one million visits since its inception in 2014. The Gateway continues to be an important driver of our efforts to build thought leadership and develop strong professional accountancy organizations. Active Gateway engagement has come from countries as far afield as Australia, Malaysia and Colombia.

Among this year’s speaking out initiatives, IFAC highlighted the profession’s role in the fight against fraud and corruption. The Accountancy Profession – Playing a Positive Role in Tackling Corruption also emphasized that this is a fight we cannot win alone—the profession’s impact is enhanced when accountants operate alongside other key actors and institutions in the global economy that support strong governance.

Extending our G20 relationships, IFAC board members were this year appointed to two B20 Germany Task Forces.* We were pleased to see IFAC positions incorporated into official B20 Policy Papers covering public sector financial management, international tax, and regulatory consistency. We look forward to continuing the B20 relationship in 2018, as Argentina takes the G20 reins.

*The B20 is the G20’s business advisory committee.
As we look to 2018, the Monitoring Group’s consultation on the future of standard-setting arrangements for audit and assurance and ethics will continue to occupy considerable board and IFAC senior management time. The consultation first started in 2015 and IFAC remains absolutely committed to a constructive dialogue and to supporting sensible, evidence-based change.

The 2017, the International Ethics Standards Board for Accountants will launch its re-written and substantially revised *Code of Ethics for Professional Accountants*. The fundamental ethical principles that have served the global profession for decades will not change, but the new Code will make their application clearer. From preparer to audit committee chair, no matter where accountants sit in the value-creation chain, ethical conduct underpins our public interest mandate and our work in the global economy. Ensuring the Code receives equal attention in the months and years ahead will be mission critical to the public interest.

Finally, we recognize the extraordinary impact technology has made—and will go on making—in the lives of professional accountants globally.

In our 40th year, IFAC inaugurated a board-level advisory committee—the Technology Advisory Group—to help guide the board and to support the global profession by highlighting the challenges and opportunities technology presents.

We have been thrilled to see accountancy students around the world using technology in myriad ways to advance their skills. In so many ways, it is their leadership and skills that will power our profession’s future into the next 40 years and beyond.

Rachel Grimes
*President*

Fayez Choudhury
*Chief Executive Officer*
2017 HIGHLIGHTS AND 2018 PRIORITIES

Financial Highlights
Total revenue: $35.1 million
Total expenses: $32.5 million
Surplus: $2.6 million

Performance Highlights
- Actively participated in the ongoing Monitoring Group review and dialogue, including compiling IFAC’s initial response to the consultation process.
- Provided support to the international standard-setting boards.
- Presented preliminary results from an IFAC study on the costs of regulatory divergence (conducted with Business at OECD) at the OECD Regulatory Committee and Monitoring and Enforcement Conference.
- Participated in the OECD Integrity Forum, sharing the platform with global ethics leaders, including Transparency International and the International Bar Association as well as regulators, competition authorities, and auditors general.
- Saw substantive IFAC policy positions incorporated into the official 2017 B20 Policy Papers in three key public policy areas—public sector financial management, international tax, and regulatory consistency.
- Effectively implemented the IFAC Professional Accountancy Organization (PAO) Capacity Building Program and received an A rating on the second annual review performed by the UK Department for International Development (DFID).
- Developed implementation tools and resources on marketing, branding, talent attraction and technology to help small- and medium-sized practices (SMPs) be future-ready and thrive in the digital age.
- Published a widely reported economic study, The Accountancy Profession—Playing a Positive Role in Fighting Corruption, detailing professional accountants’ positive contribution in transparency and the global fight against fraud and corruption.
- Promoted a public perception study in India of key accounting issues resulting in more than 20 media hits in tier-one, business and trade outlets in both Hindi and English and more than 3.7 million impressions across social media.
- Published the 2016 IFAC Global SMP Survey, which identified the global challenges SMPs face.
- Launched GatewayTV and published more than 147 original articles and videos on the Global Knowledge Gateway, attracting nearly 300,000 visitors.
- Published the 2016 IFAC Global SMP Survey, which identified the global challenges SMPs face.
- Launched GatewayTV and published more than 147 original articles and videos on the Global Knowledge Gateway, attracting nearly 300,000 visitors.
- Published the International Public Sector Financial Accountability Index in collaboration with the Chartered Institute of Public Finance and Accountancy.
- Held the first annual MOSAIC Forum to explore areas of common interests in achieving the UN’s Sustainable Development Goals and how accountants can support related efforts.
- Enhanced IFAC’s recruitment strategy and immigration practices, and developed proposed revised green card guidelines.
- Successfully implemented a mentoring program, pairing IFAC board members with IFAC staff.

Strategic Priorities for the Future
- Continue the dialogue with the Monitoring Group and other key stakeholders on the future of the international standard-setting boards.
- Continue to leverage the knowledge and resources of IFAC member organizations and other stakeholders to support and advocate for accounting professionals worldwide.
- Maintain support for the development, adoption, and implementation of high-quality international standards.
- As the voice for the global accountancy profession, continue speaking out on key topics: the value and relevance of the profession; combating fraud and corruption; the need for smarter and more effective regulation and stronger governance; and high-quality public sector financial management.
- Deepen our engagement with development agencies to catalyze funding for accountancy capacity building in emerging economies.

NEW MEMBERS
Associate Organizations Admitted as Full Members
Association of Accounting Technicians of Sri Lanka
Institute of Certified Accountants of Montenegro

Associate Organizations
Lithuanian Association of Accountants and Auditors
OUR VALUES

EXPERTISE

INTEGRITY

TRANSPARENCY
OUR VISION

IFAC’s vision is for the global accountancy profession to be recognized as essential to strong and sustainable organizations, financial markets, and economies.

OUR VALUE CREATION MODEL

Public Interest Input and Considerations

Supporting the strength and sustainability of organizations, markets, and economies via the development of the accountancy profession.

Key Resources

- **Global network**: 175+ members & associates in 130 jurisdictions representing nearly 3 million accountants
- **Partnerships**: with accounting firms, international standard setters, oversight bodies, donors
- **Talented employees** and expert volunteers
- **Trusted brands** and valuable intellectual property
- **Strong governance** and constitutional arrangements; fit-for-purpose processes
- **Strong financial foundation**

Key Value-Adding Activities

- **Natural Facilitator**: Actively contribute to improving financial and non-financial private and public sector reporting by supporting the development and promoting the adoption and implementation of high-quality international standards.
- **Trusted Intermediary**: Leverage IFAC’s global experience and relationships with key stakeholders and development partners to strengthen the profession through PAOs.
- **Credible Knowledge Convener**: Provide a global forum to share, synthesize, and create knowledge to support professional accountants in providing high-quality services to their clients and employers.
- **Influential Voice**: Represent and advocate, in the public interest, on behalf of the accountancy profession and increase awareness of the profession as essential to strong and sustainable organizations, financial markets, and economies.
**Key Outputs**

- **High-quality** international standards and guidance
- **Member organization** and country profile assessment and updated actions plans for all member organizations
- **Increase awareness** of and support for programs to build PAO capacity
- **Global Knowledge Gateway** and other thought leadership, tools, and guidance
- **Programs** to enhance transparency and accountability in the public sector
- **Policy positions**, opinions, and points of view

**Key Outcomes**

- **Confidence** in international standards
- **Policy and regulatory expertise** to influence policy making and support PAOs
- **Reliable**, comparable financial and non-financial information and reporting
- **A global exchange** of knowledge and ideas; and a strong accountancy profession
- **Enhanced recognition** of professional accountants, and their relevance and value
- **Enhanced awareness** and dialogue regarding important issues among key constituencies

**Social Benefits**

- **Confidence** in the global financial system and the integrity and efficiency of markets
- **Reduced** corruption and poverty
- **Enhanced** stewardship of social, economic, and environmental resources
- **Enhanced** public confidence in the accountancy profession
- **Strong economies**, financial stability and lower cost of capital
- **Improved transparency and accountability** of governments, markets, and companies; Responsible and effective governments
WHAT WE DO.
ADVANCE GLOBAL STANDARDS

IFAC supports the development, adoption and implementation of high-quality standards in the public interest, which produces reliable, comparable, consistent, and transparent financial and non-financial information.

High-quality international standards, adopted and implemented around the world, are of fundamental public interest. They help promote and enhance the quality, consistency, and comparability of financial information in the public and private sectors; improve financial stability and promote capital flows; and play an essential role in small- and medium-sized entities’ (SMEs’) growth and financing.

For 40 years, IFAC has been committed to a global standard-setting system that is credible, inclusive, legitimate, and produces international standards that are relevant, innovative, and responsive to meet the challenges of the future. Transparent, high-quality international standards used by professional accountants is an essential pillar of the global financial architecture.

The multi-stakeholder, shared public-private governance model under which the standards are developed ensures that the public interest remains the focus of standard setting, takes place without political or commercial interference, and includes checks and balances to ensure that no one stakeholder has undue influence. This cooperation and collaboration is unparalleled. Much evidence supports the view that today’s system works and works well.

IFAC provides financial and operational support to four international standard-setting boards:

- **IAASB**: International Auditing and Assurance Standards Board
- **IESBA**: International Ethics Standards Board for Accountants
- **IAESB**: International Accounting Education Standards Board
- **IPSASB**: International Public Sector Accounting Standards Board

IFAC’s support for these four standard-setting boards includes financial, human capital, facilities, and administrative resources, as well as support throughout the nominations and selection process.

IFAC also plays an important role in facilitating the adoption and implementation of standards around the world, and maintains a dialogue with regulators and other stakeholders on potential enhancements to current governance arrangements.

Accurate, high-quality translations are also critical to ensuring the consistent implementation of international standards and a continuing IFAC focus.
2017 Highlights

- Provided more than $18.8 million in funding and a staff of approximately 25 people, and filled vacant staff positions.
- Actively participated in the global dialogue on strengthening the standard-setting boards’ governance arrangements with the Monitoring Group, Public Interest Oversight Board, and other global stakeholders.
- Extended IAASB Chairman Prof. Arnold Schilder’s contract through December 2018.
- Renewed the terms of IESBA Chair Dr. Stavros Thomadakis and IAESB Chair Chris Austin, CBE through December 2018.
- Re-appointed IPSASB Chair Ian Caruthers for an additional three-year term through December 2021.
- Published handbooks and other materials from the four standard-setting boards in Arabic, French, Russian, and Spanish.
- Signed 135 translation/reproduction agreements for standards, handbooks and other materials and guidance.
- Provided host facilities and support for more than 45 days of standard-setting board and their Consultative Advisory Group meetings.

ADOPTION IN JURISDICTIONS*

- **79%** Adopted International Standards on Auditing for All Mandatory Audits (2009 or More Recent Standards)
- **61%** Fully Adopted the Code of Ethics for Professional Accountants (2009 or More Recent Code)
- **20%** Fully Adopted All International Education Standards for All Professional Accountants
- **55%** Made Strides in the Adoption of International Public Sector Accounting Standards

*Adoption rates across 80 of the 130 jurisdictions in which IFAC member organizations operate.
The year under review has been very intense and challenging.

The standard-setting boards have been very active in developing new initiatives as requested by the economic actors. The IAASB made substantial progress on some crucial initiatives that are almost final: International Standard on Auditing (ISA) 540, Auditing Accounting Estimates and Related Disclosures, and the advanced work toward issuing exposure drafts for International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and Related Services; ISA 220, Quality Control for an Audit of Financial Statements; and ISA 315, Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment.

The IESBA also delivered impressive work on the restructuring of the International Code of Ethics for Professional Accountants, including International Independence Standards. This important project makes the application of ethical principles easier to read and understand. Ultimately, these principles will be applied by all professional accountants. This should facilitate the global adoption, implementation, and enforcement of the Code of Ethics.

Finally, the IAESB focused on progressing the revision of International Education Standard 7, Continuing Professional Development, so that the standard will be approved in July of 2018. It also started a new project on Information and Communications Technology.

The Compliance Advisory Panel (CAP) and the Nominating Committee performed their own roles in 2017. The CAP expanded its report on the status of global adoption of international standards with a second publication, the first to be made available to the public. The IFAC Nominating Committee ran the selection and nomination process for the 2018 vacancies (overseen by the PIOB) and proposed appointments and reappointments of members to the standard-setting boards, CAP, and Nominating Committee, which were approved by the PIOB. In the course of 2017, the terms of the three chairs (IAASB, IESBA, and IAESB) were exceptionally extended for one additional year.

The PIOB worked together with the Monitoring Group and IFAC to set up an Interim Nominating Committee (effective 2018), which will select and nominate the new IAASB chair. The PIOB, as well as IFAC, have three nominees at the Interim Nominating Committee, of which one is an observer. The PIOB will have the responsibility to approve the candidate selected for the position of the IAASB chair.

At the same time, important changes are being considered in relation to the overall framework of the standard-setting activity for auditors and professional accountants. At the initiative of the Monitoring Group, and according to its 2017 consultation paper, that framework could be fundamentally redesigned. The resulting reform would have considerable consequences for the role of all parties involved in the development of the standards. This work is still in progress, and the PIOB, as well as IFAC, look forward to the further steps that will be proposed by the Monitoring Group.

In any case, maintaining the quality of the standards, which are a “public good,” remains the highest priority—a priority shared by all participants.
ADVOCATE ON BEHALF OF THE PROFESSION

IFAC increases awareness of the importance and relevance of professional accountants to businesses and economies.

Over the last 40 years, IFAC has built a reputation on the global stage as a respected voice of authority on wide-ranging issues, from taxation to regulation, organizational reporting and governance to public sector financial management. IFAC speaks out on behalf of the profession on public interest issues, on current debates germane to the profession’s role in global and national capital and financial markets, and in enhancing the reputation and credibility of professional accountants.

IFAC’s reputation for excellence means it is uniquely positioned to spearhead initiatives that demand a global reach and public interest focus, and which generate robust dialogue and debate. IFAC promotes initiatives that enhance global economic stability and sustainability, including:

- The importance of the development, adoption, and implementation of high-quality international standards;
- Smart regulation that is consultative and globally consistent;
- Sound public sector financial management, including public sector transparency and accountability;
- Robust organizational governance and a commitment to a solid foundation of ethics and trust; and
- The key role professional accountants play in economies and societies.

PUBLISHED

IFAC PRESIDENT AND BOARD MEMBERS MET WITH REPRESENTATIVES AND OFFICIALS IN 20+ COUNTRIES INCLUDING BARBADOS, FRANCE, INDIA, INDONESIA, JAPAN, SOUTH AFRICA, UGANDA, AND THE UK.

MEDIA COVERAGE

~500 MAJOR MEDIA, INDUSTRY & FINANCIAL OUTLETS IN 10+ LANGUAGES

TOPICS COVERED:
CAPACITY BUILDING
TRUST
AI/TECHNOLOGY
MULTINATIONAL TAXATION
FRAUD & CORRUPTION
SMPS & THEIR CLIENTS
2017 Highlights

- Launched the global accountancy profession’s G20 Call to Action: Build Trust. Inspire Confidence., which had a noticeable impact in relevant ongoing policy debates, such as the G20 Leaders’ Declaration, B20 policy papers, and media commentary.
- Participated at the B20 on relevant taskforces and cross-thematic groups for the 2017 German G20 Presidency, and IFAC was recognized as an official B20 Network Partner for the 2018 Argentine G20 Presidency.
- Published a groundbreaking global study, G20 Public Trust in Tax, on the public’s perceptions about much-debated multinational tax issues with the Association of Chartered Certified Accountants and Chartered Accountant Australia and New Zealand. The report, prominently reported in top tier global and national media, underscores a high level of trust in the profession.
- Secured membership on the OECD Partnership for Effective International Rule-Making along with 42 leading international organizations.
- Crafted and distributed multiple member organization toolkits to leverage the IFAC community in promoting content and amplifying IFAC’s reach; toolkits included content about the profession’s G20 Call to Action, accountants’ role fighting fraud, and International Accountant Day.
- Commissioned a survey in India to test public perception of accounting on key issues including technology, fraud and corruption, and accounting’s overall value. Media outreach in early 2018 resulted in significant local coverage in top-tier business publications, including the Business Standard and The Hindu Business Line.
- Leveraged the UN General Assembly week to launch a social media campaign on the role accountants play in contributing to the UN Sustainable Development Goals, resulting in more than 22,325 impressions on Twitter.
- IFAC CEO joined world leaders and global CEOs at the inaugural Bloomberg Global Business Forum, an invitation-only event held during the UN General Assembly week in New York. Traditional and social media campaign resulted in more than 10,806 impressions and a Reuters interview.
- Conducted first Global Communicators’ Forum to unite accountancy communicators and share best practice, build knowledge, and create lasting partnerships for near-term message leveraging and cooperation.
- Joined the Forbes Finance Council, providing IFAC with a globally-recognized platform on which to speak out on key issues.
- Participated in the 2017 OECD Global Anti-Corruption & Integrity Forum as a moderator and panelist.
- Deployed IFAC’s global voice in the mandatory audit firm rotation debate, including issuing a comment letter to an Independent Regulatory Board for Auditor’s consultation, presenting to a Parliamentary Committee hearing in South Africa, and continuing to advocate for the need for high-quality practices throughout the entire financial reporting supply chain.
- Updated Public Policy Paper 8, Enhancing Organizational Reporting: Integrated Reporting Is Key, which emphasizes the importance of integrated reporting as an “umbrella” report for a broad suite of reports and communications.
- Significantly increased positive media coverage and proactive media outreach.
Maintaining excellence in IFAC’s support for professional accountants in business, government and practice comes from collaboration and cooperation across the entire IFAC community. IFAC’s unique approach brings together PAOs and others stakeholders and influencers to crowd-source knowledge, ideas, and experiences to ultimately support accountants’ ability to remain relevant in a volatile, uncertain, complex and ambiguous world.

The IFAC Professional Accountants in Business and SMP Committees play especially crucial roles in shaping the global accountancy profession. By identifying key challenges and opportunities, as well as offering advice and experience, the committees provide strategic input into key areas of support and advocacy. Working in partnership with member organizations and stakeholders, such as the World Bank and the International Integrated Reporting Council, IFAC provides thought leadership and guidance that seeks to enhance the competence, quality, and relevance of today and tomorrow’s professional accountants globally.

IFAC is also especially attuned to the importance of international standards and works diligently to ensure accountants working in business and small- and medium-sized enterprises (SMEs) are considered by standard setters, regulators, and policy makers. Through engagement with international standard setters and input to their proposals, IFAC provides a range of user and preparer perspectives, including those of CFOs, finance managers and SMPs.

The IFAC Global Knowledge Gateway continues to be an important vehicle for sharing thought leadership and educational resources relevant to accountants and business professionals. During 2017, Gateway focused its content efforts on emerging technologies and the most recent developments in auditing and financial management.

IFAC also hosted forums and events in partnership with our member organizations and stakeholders. The Integrated Reporting PAO Network, now in its second year, continues to offer practical guidance and support for member organizations and their efforts to promote enhanced reporting in their jurisdictions and by their members.
2017 Highlights

- Enhanced IFAC’s interactive meeting format to drive robust engagement and knowledge sharing from committee member experiences, member organizations, accountants working in business, and public sector financial managers.
- Advocated for SMPs and professional accountants in business in the standard-setting process by providing comment letters, feedback, and ongoing interaction on proposed standards through more than 19 responses to formal proposals as well as on papers circulated in advance of standard-setting board meetings.
- Published the 2016 IFAC Global SMP Survey, which received 5,060 responses representing 164 countries and in 23 languages; top identified global challenges included attracting new clients, keeping up with new regulations and standards, and pressure to lower fees.
- Developed multiple toolkits for IFAC member organizations’ efforts to enhance engagement with their professional accountants in business members, thereby reinforcing accountants in business’ value and the dynamic roles they hold within organizations. These toolkits included how to run effective workshops and a self-assessment evaluation tool.
- Cohosted three regional SMP forums in Colombia, Uganda (as part of the Africa Congress of Accountants), and Vienna (with the World Bank) and participated in more than 20 external events and seminars, including at World Bank, UNCTAD, CReCER, Accountancy Europe, Edinburgh Group, and member organization events.
- Maintained the Integrated Reporting PAO Network, offering exclusive resources and five periodic webinars with a total of more than 700 registered participant.
- Launched GatewayTV and published more than 147 original articles and videos on the Global Knowledge Gateway, attracting nearly 300,000 visitors (a 20% audience increase since 2016) and more than 29,000 subscribers to The Latest. Featured content included blockchain and other emerging and disruptive technologies, audit, data analytics, cybersecurity, attracting and retaining talent, corporate culture, integrated and corporate reporting, and assurance and ethics in a digital age.
- Moderated a panel session at the IFAC Council Meeting on Enabling Business Success and Long-Term Value Creation on how businesses and SMEs address emerging challenges and opportunities and implications for professional accountants.
DEVELOP ACCOUNTANCY CAPACITY

IFAC helps build and support effective national and regional professional accountancy organizations, powering economic stability and growth.

Economic growth generates income, attracts investment, creates jobs, reduces poverty and gives rise to other broad societal benefits.

It requires efficient and sustainable capital markets and transparent and accountable governments. Reliable, timely and quality financial and non-financial information improves public and private sector transparency, enables sound decision making, supports investor confidence and financial stability, and facilitates domestic and international investment.

A highly-skilled accountancy profession, behaving ethically and acting in the public interest, is an essential element of national financial infrastructure, and a foundational element for economic growth. A strong national accountancy profession is a product of an effective PAO.

IFAC deploys three components that work together to target the specific needs of different jurisdictions.

- The IFAC Member Compliance Program works with PAOs at various levels of development to continuously advance adoption and implementation of international standards and best practices, including establishing quality assurance and investigation and discipline systems. *International Standards: 2017 Global Status Report* is the first of its kind to assess and report on the status of adoption in jurisdictions and is the most comprehensive assessment of international standards adoption available.

- The IFAC PAO Capacity Building Program takes a holistic approach to development by focusing on sustainability, stakeholder relevance, and efforts to support and enforce international standards. Fit-for-purpose projects deliver sustainable solutions, and work with partner organizations and relevant MOSAIC donor partners.

- The global initiative Accountability. Now. promotes quality financial reporting to improve transparency and help strengthen public sector financial management and accountability. Through its global coalition, the initiative helps public sector officials understand the benefits of quality accrual-based financial reporting and PAOs to develop partnerships with key public sector decisions makers.
2017 Highlights

- Assessed member and associate applications for two existing associate organizations and one new associate; all three applications approved in November.
- Published 60 assessments of international standards adoption by jurisdiction and PAOs’ Statements of Membership Obligations (SMOs) fulfilment online.
- Enhanced dialogue with member organizations on SMO fulfilment challenges and successes and engaged with PAOs, stakeholders, and donors in Chile, Croatia, Dominican Republic, and Haiti to support specific development needs.
- Held SMO workshops in Jordan, Mexico, Peru, Uganda and Vietnam for nearly 300 participants representing nearly 100 countries.
- Supported PAO-building workshops in Zimbabwe with attendance from all five national PAOs.
- As part of the IFAC PAO Capacity Building Program, supported development projects in Ethiopia, Ghana, Kyrgyzstan, Myanmar, Nigeria, Rwanda, Uganda, and Zimbabwe; funded a new technical director position for the Pan African Federation of Accountants; and supported new PAO information and communications technology guidance.
- Received a rating of A on the second UK Department for International Development (DFID) Annual Review.
- Engaged with the African Development Bank, Asian Development Bank, DFID, Global Fund, World Bank, and other MOSAIC donor partners to explore how a stronger accountancy profession can support their strategic objectives. Building on existing relations, contributed to the development of a formal collaboration framework with the World Bank Governance Global Practice.
- Held the first annual MOSAIC Forum to explore achieving the UN’s Sustainable Development Goals and how accountants can support related efforts.
- Presented the Zimbabwe IFAC PAO Capacity Building Project at the INTOSAI Capacity Building Committee regional forum as a case study on how the accountancy profession can support government’s migration to accrual accounting and how to strengthen the accountancy capacity necessary to support it.
- Hosted a plenary session at the annual IFAC Council meeting with speakers from the DFID, Global Fund, and World Bank on how accountants contribute to increasing capital, creating an enabling business climate, and enhancing government transparency and accountability to drive economic growth and achieve the UN Sustainability Development Goals.
- Developed the International Public Sector Financial Accountability Index in collaboration with the Chartered Institute of Public Finance and Accountancy, which aims to provide a better understanding of public sector accounting and budgeting reform to help stimulate wider public financial management reform efforts.
- Contributed to the OECD’s Budget Transparency Toolkit as a Lead Steward of the Global Initiative of Fiscal Transparency (GIFT) Network; the toolkit offers a gateway to global budget and fiscal transparency institutions, official instruments, standards, and guidance materials.
- Held an Accountability. Now. roundtable and participated in the Open Government Partnership conference in Buenos Aires, Argentina with the GIFT Network.
HOW WE DO IT.
RESOURCES
Driving excellence, convening thought leadership, advocating for the profession and creating value for members, stakeholders, and employees requires continual optimization of resources.

This relies on:
- A strong, diverse global network, effective partnerships and stakeholder engagement;
- Exceptional human capital, including talented employees and expert volunteers;
- Intellectual capital; and
- A strong governance structure.

2017 Highlights
- Implementation and updated talent management plan and enhanced search techniques to attract highly-qualified candidates for all open positions, including the independent standard-setting boards.
- Enhanced on-boarding experience for new hires.
- Upgraded audio visual and information technology assets in the New York office boardroom.
- Improved content, processes and design of Luca, the staff intranet.
- Created a pool of executive coaches to provide customized leadership development to further enhance and develop leadership and organizational impact.
- Engaged CEB Gartner to conduct employee engagement surveys, including for 2017. The new partnership will provide IFAC access to CEB’s comprehensive database to benchmark survey results against similar organizations across industries, geography, and a full set of normative comparisons.
- Signed 135 translation and reproduction agreements.
- Facilitated publication of IFAC and standard-setting board materials in 25 languages.

USD $248B
THE GROSS VALUE ADDED OF IFAC MEMBERS (OR ABOUT 43% OF THE GLOBAL ACCOUNTANCY ECOLOGY)

IFAC PAO MEMBERSHIP BY SECTOR (2013)
2.1% ACADEMIA/EDUCATION
7.9% PUBLIC SECTOR
45.0% BUSINESS & INDUSTRY
45.1% PUBLIC PRACTICE

135 REPRODUCTION AGREEMENTS SIGNED IN 2017
PUBLICATIONS TRANSLATED INTO 25 LANGUAGES (TO DATE)
MATERIALS PUBLISHED IN 53 LANGUAGES

23
Excellence through a strong, diverse global network, effective partnerships and stakeholder engagement

IFAC represents, develops, supports, and advocates for a global accountancy profession that encompasses mature and developing economies and PAOs that vary significantly in development, capacity, legal status, and authority. Through IFAC member organizations, key constituencies include professional accountants working in large accounting firms, SMPs and professional accountants in small and large businesses, governments, and academia—nearly three million worldwide.

IFAC also maintains robust relationships with accounting firms, international standard setters, oversight organizations, donors and development agencies, and other international organizations. In 2017, IFAC continued to strengthen relationships with member organizations and key stakeholder groups to take an inclusive approach that supports the diverse needs of all our members and stakeholders.

Excellence in human capital: talented employees and expert volunteers

Highly-qualified staff and volunteers enable IFAC to execute its strategy, and IFAC’s ability to attract and retain a diverse, adept, professional staff is a key focus. To enhance IFACs efforts in this area, IFAC further developed its Human Capital Strategy, launched a mentoring program between IFAC staff and board members, implemented an organizational Work-life Balance Integration policy, and explored external service providers for human resources and financial administrative tasks. Each of these initiatives help deliver IFAC’s Human Capital Strategy and its five critical components: talent attraction, retention, development, reward, and retirement.

The volunteers on the IFAC Board and committees and the standard-setting boards are equally important to delivering IFAC’s strategy and each provide hundreds of hours of work per year. The Nominations Committee strives to find the best fit for each vacancy while taking into consideration professional background, technical skills, contributions to the profession, as well as geography, gender, and professional balance.

Intellectual capital: trusted brand and valuable intellectual property

IFAC maintains strong intellectual property stewardship. IFAC’s intellectual property policies balance the need for widespread standards adoption, including translation initiatives, with processes that ensure IFAC’s critical intellectual property—including its brands and publications—remain appropriately protected.
Strong, proven governance structure

IFAC’s governance structure and processes are fit-for-purpose, ensuring that we consult the appropriate stakeholders, make and implement good decisions, and deliver on our strategy.

IFAC Governance Structure

*Checks and balances in place to prevent any undue influence. In particular, PIOB oversees the allocation of financial resources to SSBs under its purview, and the Compliance Advisory Panel.
<table>
<thead>
<tr>
<th>Country</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Institute of Authorized Chartered Auditors of Albania</td>
</tr>
<tr>
<td>Argentina</td>
<td>Federación Argentina de Consejos Profesionales de Ciencias Económicas</td>
</tr>
<tr>
<td>Australia</td>
<td>Chartered Accountants Australia and New Zealand (Formerly the Institute of Chartered Accountants in Australia)</td>
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<td></td>
<td>CPA Australia</td>
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</tr>
<tr>
<td>Austria</td>
<td>Institut Österreichischer Wirtschaftsprüfer</td>
</tr>
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<td>Kammer der Wirtschaftstreuhänder</td>
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<tr>
<td>Azerbaijan</td>
<td>Chamber of Auditors of Azerbaijan Republic</td>
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<td>Bahamas</td>
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<tr>
<td>Barbados</td>
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<tr>
<td>Bangladesh</td>
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<tr>
<td></td>
<td>The Institute of Cost and Management Accountants of Bangladesh</td>
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<tr>
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<td>Colegio de Auditores de Bolivia</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Association of Accountants and Auditors of Republic of Srpska</td>
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<td></td>
<td>Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina</td>
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<tr>
<td>Botswana</td>
<td>Botswana Institute of Chartered Accountants</td>
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<tr>
<td>Brazil</td>
<td>Conselho Federal de Contabilidade</td>
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<tr>
<td></td>
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<td>Cameroon</td>
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<td>Chile</td>
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<tr>
<td>Chinese Taiwan</td>
<td>Federation of CPA Associations of Chinese Taiwan</td>
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<td>Colombia</td>
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<td>Denmark</td>
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<td>Instituto de Contadores Públicos Autorizados de la República Dominicana</td>
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<td>Egypt</td>
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<td>Estonian Auditors’ Association</td>
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<td>Fiji</td>
<td>Fiji Institute of Accountants</td>
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<td>Finland</td>
<td>Suomen Tilintarkastajat ry</td>
</tr>
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<td>France</td>
<td>Compagnie Nationale des Commissaires aux Comptes</td>
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<td>Conseil Supérieur de l’Ordre des Experts-Comptables</td>
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<td>Germany</td>
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<td>Instituto Guatemalteco de Contadores Públicos y Auditores</td>
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<td>Haiti</td>
<td>Ordre des Comptables Professionels Agreees d’Haiti</td>
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<tr>
<td>Honduras</td>
<td>Colegio de Peritos Mercantiles y Contadores Públicos</td>
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<td>Hong Kong, Special Administrative Region of China</td>
<td>Hong Kong Institute of Certified Public Accountants</td>
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<td>Hungary</td>
<td>Chamber of Hungarian Auditors</td>
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<td>Iceland</td>
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<td>India</td>
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<td></td>
<td>The Institute of Cost Accountants of India</td>
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<td>Indonesia</td>
<td>Ikatan Akuntan Indonesia</td>
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<td>Iran, Islamic Republic of</td>
<td>Iranian Association of Certified Public Accountants</td>
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<td></td>
<td>Iranian Institute of Certified Accountants</td>
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<tr>
<td>Iraq</td>
<td>Iraqi Union of Accountants and Auditors</td>
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<tr>
<td>Ireland</td>
<td>Chartered Accountants Ireland</td>
</tr>
<tr>
<td></td>
<td>Institute of Certified Public Accountants in Ireland</td>
</tr>
</tbody>
</table>
Israel
- Institute of Certified Public Accountants in Israel

Italy
- Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili

Ivory Coast
- Ordre des Experts Comptables de Côte d’Ivoire

Jamaica
- Institute of Chartered Accountants of Jamaica

Japan
- The Japanese Institute of Certified Public Accountants

Jordan
- International Arab Society of Certified Accountants
- Jordanian Association of Certified Public Accountants

Kazakhstan
- Chamber of Auditors of the Republic of Kazakhstan

Kenya
- Institute of Certified Public Accountants of Kenya

Korea, Republic of
- Korean Institute of Certified Public Accountants

Kosovo
- Society of Certified Accountants and Auditors of Kosovo

Kuwait
- Kuwait Association of Accountants and Auditors

Latvia
- Latvian Association of Certified Auditors

Lebanon
- Lebanese Association of Certified Public Accountants

Lesotho
- Lesotho Institute of Accountants

Liberia
- The Liberian Institute of Certified Public Accountants

Lithuania
- Lithuanian Chamber of Auditors

Luxembourg
- Institut des Réviseurs d’Entreprises

Macedonia, The former Yugoslav Republic of
- Institute of Certified Auditors of the Republic of Macedonia

Madagascar
- Ordre des Experts Comptables et Financiers de Madagascar

Malawi
- Institute of Chartered Accountants in Malawi

Malaysia
- Malaysian Institute of Accountants
- The Malaysian Institute of Certified Public Accountants

Malta
- The Malta Institute of Accountants

Mauritius
- Mauritius Institute of Professional Accountants

Mexico
- Instituto Mexicano de Contadores Públicos, A.C.

Moldova, Republic of
- Association of Professional Accountants and Auditors of the Republic of Moldova

Mongolia
- Mongolian Institute of Certified Public Accountants

Montenegro
- Institute of Certified Accountants of Montenegro*

Morocco
- Ordre des Experts Comptables du Royaume du Maroc

Namibia
- Institute of Chartered Accountants of Namibia

Netherlands
- Netherlands Association of Registered Controllers
- Royal Nederlandse Beroepsorganisatie van Accountants

New Zealand
- Chartered Accountants Australia and New Zealand (Formerly New Zealand Institute of Chartered Accountants)

Nicaragua
- Colegio de Contadores Públicos de Nicaragua

Nigeria
- Association of National Accountants of Nigeria
- The Institute of Chartered Accountants of Nigeria

Norway
- Den norske Revisorforening

Pakistan
- The Institute of Chartered Accountants of Pakistan
- Institute of Cost and Management Accountants of Pakistan

Panama
- Colegio de Contadores Públicos Autorizados de Panamá

Peru
- Junta de Decanos de Colegios de Contadores Públicos del Perú

Philippines
- Philippine Institute of Certified Public Accountants

Poland
- Accountants Association in Poland
- Polish Chamber of Statutory Auditors (Formerly National Chamber of Statutory Auditors)

Portugal
- Ordem dos Contabilistas Certificados
- Ordem dos Revisores Oficiais de Contas

Romania
- Chamber of Financial Auditors of Romania
- Corpul Expertilor Contabili si Contabililor Autorizati din Romania

Saudi Arabia
- Saudi Organization for Certified Public Accountants

Senegal
- Ordre National des Experts Comptables et Comptables Agréés du Sénégal

Serbia, Republic of
- Serbian Association of Accountants and Auditors

Sierra Leone
- The Institute of Chartered Accountants of Sierra Leone

Singapore
- Institute of Singapore Chartered Accountants

Slovakia
- Slovenska Komora Auditorov

Slovenia
- The Slovenian Institute of Auditors

South Africa
- The South African Institute of Chartered Accountants
- South African Institute of Professional Accountants

Spain
- Instituto de Censores Jurados de Cuentas de España

Sri Lanka
- Association of Accounting Technicians of Sri Lanka*
- Institute of Certified Management Accountants of Sri Lanka
- The Institute of Chartered Accountants of Sri Lanka

Swaziland
- Swaziland Institute of Accountants

Sweden
- FAR

*Admitted by the IFAC Council in November 2017
Switzerland
- EXPERTSuise - Swiss Expert Association for Audit, Tax and Fiduciary

Tanzania, United Republic of
- National Board of Accountants and Auditors

Thailand
- Federation of Accounting Professions

Trinidad and Tobago
- The Institute of Chartered Accountants of Trinidad and Tobago

Tunisia
- Ordre des Experts Comptables de Tunisie

Turkey
- Expert Accountants’ Association of Turkey
- Union of Chambers of Certified Public Accountants of Turkey

Uganda
- Institute of Certified Public Accountants of Uganda

Ukraine
- Ukrainian Federation of Professional Accountants and Auditors

United Kingdom
- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants
- Chartered Institute of Public Finance and Accounting
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants of Scotland
- Institute of Financial Accountants
- Association of Accounting Technicians

United States
- American Institute of Certified Public Accountants
- Institute of Management Accountants

Uruguay
- Colegio de Contadores, Economistas y Administradores del Uruguay

Vietnam
- Vietnam Accounting Association

Zambia
- Zambia Institute of Chartered Accountants

Zimbabwe
- The Institute of Chartered Accountants of Zimbabwe

Associates
(As at December 31, 2017)

Albania
- Instituti i Kontalistitëve të Miratuar

Armenia
- Association of Accountants and Auditors of Armenia

Benin
- Ordre des Experts-Comptables et Comptables Agréés du Bénin

Brunei Darussalam
- Brunei Darussalam Institute of Certified Public Accountants

Burkina Faso
- Ordre National des Experts-Comptables et des Comptables Agréés du Burkina Faso

Cambodia
- Kampuchea Institute of Certified Public Accountants and Auditors

Croatia
- Croatian Audit Chamber

El Salvador
- Instituto Salvadoreño de Contadores Públicos

Guatemala
- Colegio de Contadores Públicos y Auditores de Guatemala

Indonesia
- Institut Akuntan Publik Indonesia

Ireland
- Accounting Technicians Ireland

Kazakhstan
- Chamber of Professional Accountants of the Republic of Kazakhstan

Kyrgyzstan
- Union of Accountants and Auditors

Latvia
- Association of Accountants of the Republic of Latvia

Lithuania
- Lithuanian Association of Accountants and Auditors*

Luxembourg
- Ordre des Experts-Comptables du Luxembourg

Montenegro
- Institute of Accountants and Auditors of Montenegro

Pakistan
- Pakistan Institute of Public Finance Accountants

Palestine
- Palestinian Association of Certified Public Accountants

Papua New Guinea
- Certified Practising Accountants Papua New Guinea

Russian Federation
- Audit Chamber of Russia
- Self-regulatory Organization of Auditors Association “Sodruzhestvo”
- Russian Union of Auditors

Rwanda
- Institute of Certified Public Accountants of Rwanda

Serbia, Republic of
- Chamber of Authorized Auditors of Serbia

Togo
- Ordre National des Experts-Comptables et des Comptables Agréés du Togo

Uzbekistan
- Chamber of Auditors of Uzbekistan
- National Association of Accountants and Auditors of Uzbekistan

Vietnam
- Vietnam Association of Certified Public Accountants

*Admitted by the IFAC Council in November 2017

Regional Organizations
(As at December 31, 2017)

Accountancy Europe
- Confederation of Asian and Pacific Accountants
- Interamerican Accounting Association
- Pan African Federation of Accountants

Accountancy Groupings
(As at December 31, 2017)

- Association of Accountancy Bodies of West Africa
- Fédération des Experts-Comptables Méditerranéens
- Fédération Internationale des Experts Comptables et Commissaires aux Comptes Francophones
- Gulf Cooperation Council Accounting and Auditing Organization
- South Asian Federation of Accountants
- Institute of Chartered Accountants of the Caribbean
2016-2017 IFAC Board:
Standing (L to R): Carol Bellringer (Canada), Richard Petty (Australia), Alan Johnson (United Kingdom & Portugal), Michael Hathorn (United Kingdom), Sebastian Owuama (Nigeria), Philippe Arroou (France), IFAC President Rachel Grimes (Australia), Wienand Schruff (Germany), IFAC Deputy President In-Ki Joo (South Korea), Norunn Byrkjeland (Norway), Terence Nombembe (South Africa), Masum Turker (Turkey), Zhiguo Yang (China), Raphael Ding (Hong Kong, Special Administrative Region of China)

Seated (L to R): Gail McEvoy (Ireland), Idésio da Silva Coelho (Brazil), Kumar Raghu (India), Tommye Barie (United States), Ahmadi Hadibroto (Indonesia), Joy Thomas (Canada), Shinji Someha (Japan), Pamela Monroe Ellis (Jamaica)

Missing: Bill Balhoff (United States)
IFAC Committees
(January 1, 2017 to December 31, 2017)

Compliance Advisory Panel
Kathryn Byrne, Chair, United States
Antonio Flores, Deputy Chair, Mexico
Khalid Rahman, Pakistan
Derick Nkajja, Uganda
Mousa Sindaha, Jordan
Anna-Clara af Ekenstam, Sweden
Penelope Ann Egan, Australia

Nominating Committee
Rachel Grimes, Chair, Australia
In-Ki Joo, Deputy Chair, Republic of Korea
Anne Loveridge, Australia
Guy Andrade, Brazil
Jacques Potdevin, France
Patrick Mahonga Mтанге, Kenya
Gregory Anton, United States

Professional Accountancy Organization Development Committee
Arjuna Herath, Chair, Sri Lanka
Devika Mohotti, Deputy Chair, Australia (United Kingdom)
Lisa Padmore, Barbados
Priya Iyer, Botswana (United Kingdom)
Clemente Kiss, Romania
Michèle Cartier Le Guérinel, France
Freddy Solis, Nicaragua
Naem Akhtar Sheikh, Pakistan
Keto Kayemba, Uganda (United Kingdom)
Alan Edwards, United Kingdom
Ivan Sotomayor, United States

Professional Accountants in Business Committee
Charles Tilley, Chair, United Kingdom
Sanjay Rughani, Deputy Chair, Tanzania
Paul Urquhart, Australia
Laurie Tugman, Canada
Joyce Evans, Canada
Wendy Wen Yee Yung, Hong Kong, Special Administrative Region of China
Pinnamaraju Venkata S Jagan, Mohan Rao, India
Zaiton Mohd Hassan, Malaysia
Raúl González Lima, Mexico
Tine van de Werken, the Netherlands
Khalilullah Shaikh, Pakistan
Daniel Monehin, United Arab Emirates (Nigeria)
Stuart Chaplin, United Kingdom
Janet Senior, United Kingdom
Patricia Cochran, United States
Larry White, United States
William Schneider, United States
Matts Kunaka, Zimbabwe
Berend Van Aswegen, South Africa (United Kingdom)
Antoni Gómez, Spain
Wassim Khrouf, Tunisia
Cemal Ibis, Turkey
Twaha Kaawaase, Uganda (United Kingdom)
Katharine Bagshaw, United Kingdom
George Willie, United States

Transnational Auditors Committee
Voting Representatives
Wallace (Wally) Gregory, Chair, Deloitte Touche Tohmatsu Limited
Andrew Collier, Kreston International
David Chitty, Crowe Horwath International
Donald Zimmerman, Ernst & Young Global Limited
Jean-Luc Barlet, Mazars
Kenny Chatelain, PricewaterhouseCoopers International Limited
Pablo San Martín, SMS Latinoamérica*
Susana Martinez, RSM International Limited
Paul Ginman, Baker Tilly International Limited
Paul Winrow, Baker Tilly International Limited*
Sean Lager, PKF International Limited
Sheri Anderson, KPMG International Cooperative*
Victor Oliveira, Ernst & Young Global Limited
Sylvia Smith, KPMG International Cooperative*
Wayne Kolins, BDO*
Gilles Hengoat, Grant Thornton International Ltd

Alternates
Alfredo Spilzinger, SFAI*
Bettina Cassegrain, HLB International
Chris Smith, BDO*
Gill Spaul, Moore Stephens International Limited
Graham Gilmour, PricewaterhouseCoopers International Limited
Jennifer Haskell, Deloitte Touche Tohmatsu Limited
Mohammed Yaqoob, Nexia International
Paul Winrow, Baker Tilly International Limited*
Sean Lager, PKF International Limited
Sheri Anderson, KPMG International Cooperative*
Victor Oliveira, Ernst & Young Global Limited
Sylvia Smith, KPMG International Cooperative*
Wayne Kolins, BDO*
Gilles Hengoat, Grant Thornton International Ltd

Small and Medium Practices Committee
Monica Foerster, Chair, Brazil
Mats Olsson, Deputy Chair, Sweden
Robyn Erskine, Australia
Dawn McGeachy, Canada
Dequan Yin, China
Klaus Bertram, Germany
Manoj Fadnis, India
Matteo Pozzoli, Italy
Naofumi Higuchi, Japan
Abdulwahid Aboo, Kenya
Nnamdi Okwudigbo, Nigeria

*partial year
FINANCIAL HIGHLIGHTS

IFAC maintains a control environment designed to ensure that the values of integrity, transparency, and expertise are inherent in every aspect of the organization. This environment provides for sound stewardship of the resources provided by member organizations, the Forum of Firms, and other funders, and for a clear decision-making and accountability framework.

These financial highlights should be read with the 2017 Financial Statements, which include the independent auditor's report.

Financial Performance

- IFAC is reporting a surplus of $2.6 million for 2017 (2016: $666.5 thousand surplus). IFAC had an operating surplus of $2.0 million supplemented by foreign exchange gains on foreign currency bank accounts of $560 thousand.

  - Total revenue increased by 8% (2016: 7%) to $35.1 million.
  - Membership dues increased by 7.2% over 2016 as a result of increased dues from existing members and new member organizations.
  - Net contributions received from the Forum of Firms increased by 4%, including a 3.75% increase over the Forum's 2017 financial contribution to IFAC, and an increase in expenses incurred by the Transnational Auditors Committee reimbursed by the Forum.
  - External funding increased by 13% mainly due higher disbursements from the DFID grant. We also had a new grant from WBCSD for the IAASB that contributed slightly to the increase.
  - Publication sales and royalties and license fees increased by 9.5%, while other revenue increased by 287% due to foreign exchange gains.

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Membership Dues</td>
<td>$20,225,000</td>
<td>$18,872,900</td>
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<tr>
<td>Forum of Firms</td>
<td>12,256,930</td>
<td>11,784,379</td>
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<tr>
<td>External Funding</td>
<td>1,579,626</td>
<td>1,397,995</td>
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<tr>
<td>Publications, Royalties, and Licensing</td>
<td>423,920</td>
<td>387,105</td>
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<tr>
<td>Other Revenue</td>
<td>637,510</td>
<td>164,488</td>
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<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>$35,122,986</strong></td>
<td><strong>$32,606,867</strong></td>
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</tbody>
</table>

2017 REVENUE

- Membership Dues: 58%
- Forum of Firms: 35%
- External Funding: 4%
- Publications, Royalties, and Licensing: 1%
- Other Revenue: 2%
2017 EXPENSES

<table>
<thead>
<tr>
<th>Department</th>
<th>2017</th>
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<tbody>
<tr>
<td>Employee Costs</td>
<td>$17,824,946</td>
<td>$17,743,688</td>
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<tr>
<td>Travel and Meeting Costs</td>
<td>4,878,005</td>
<td>5,070,010</td>
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<tr>
<td>Occupancy and Maintenance</td>
<td>1,296,782</td>
<td>1,243,172</td>
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<tr>
<td>Funding for the Public Interest Oversight Board</td>
<td>1,093,782</td>
<td>1,026,840</td>
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<td>Depreciation and Amortization</td>
<td>533,484</td>
<td>499,565</td>
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<td>IT Support</td>
<td>642,267</td>
<td>641,184</td>
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<tr>
<td>Other Expenses</td>
<td>6,254,872</td>
<td>5,715,895</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$32,524,138</strong></td>
<td><strong>$31,940,354</strong></td>
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</tbody>
</table>

- Total expenses increased by 1.8% (2016: increased by 4.3%) to $32.5 million.
  - Employee costs increased by 0.5%. The modest increase was mainly due to increases in staff positions and remuneration offset by unplanned staff vacancies.
  - Travel and meeting costs decreased by 4% mainly due to travel efficiencies despite the higher levels of activity across the organization.
  - Occupancy and maintenance increased by 4% due to operating escalation charges.

- IT support comprising of maintenance and licenses largely remained unchanged with a minimal increase of 0.2%.
- Other expenses increased by 9.4% mostly due to use of consultants, higher recruitment and relocation costs, and higher foreign exchange loss.

2017 ALLOCATION

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Standards Development</td>
<td>$18,810,393</td>
<td>$18,334,627</td>
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<tr>
<td>Global Representation &amp; Advocacy</td>
<td>2,005,976</td>
<td>1,878,312</td>
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<tr>
<td>Global Accountancy Profession Support</td>
<td>3,288,923</td>
<td>4,054,432</td>
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<tr>
<td>Global Accountancy Profession Development</td>
<td>4,694,136</td>
<td>4,370,049</td>
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<tr>
<td>Quality &amp; Membership</td>
<td>3,724,710</td>
<td>3,302,934</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$32,524,138</strong></td>
<td><strong>$31,940,354</strong></td>
</tr>
</tbody>
</table>
### Financial Position

- Total assets increased by 19.5% (2016: 4.5%) and total liabilities increased by 11.1% (2016: 40.8%) thereby increasing total net assets by 29.7%.

- At December 31, 2017, based on a discount rate of 3.75% (2016: 4.4%), the funded status of the defined benefit pension plan was negative $3.1 million (2016: negative $2.71 million). To manage the inherent risks and volatility in providing retirement benefits through a defined benefit pension plan in an uncertain economic environment, this plan was amended to provide that no further benefit accruals would occur after January 31, 2013. This amendment has resulted in the recognition of curtailments, which reduced IFAC’s liability and expense in respect of the plan.

- The equity position as at December 31, 2017, was $9.8 million (2016: $7.6 million).
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