Delivering Value through Our Global Network

INTEGRATED ANNUAL REVIEW 2018
IFAC advocates globally for integrated reporting because it helps organizations deliver higher-quality information with real meaning. Information that serves the public interest by telling a clearer value creation and preservation story to stakeholders, employees, investors and capital markets, and, ultimately, to the communities they serve.

IFAC’s 2018 integrated annual review helps us remain accountable to our member organizations and stakeholders. It also improves understanding of our strategic objectives and achievements, and their connection to the overarching key outcomes IFAC—on behalf of our members—seeks to advance.

The review provides information on our financial, human, intellectual, and social and relationship capitals alongside how we create value through our governance, strategy, resource deployment, and key activities. It continues our efforts to work with the integrated reporting principles and concepts IFAC advocates for globally, as set out in the International Integrated Reporting Council’s Integrated Reporting Framework. As part of the journey, the IFAC Board provided directional input and review.

This review is part of our 2018 reporting suite, which also comprises our Financial Statements for the year ended December 31, 2018, available on the IFAC website.
We are living in an era of disruption and opportunity. Entirely new technologies, industries, and innovations are emerging frequently and swiftly. Business models and needs are evolving. Expectations for accountants and the profession are on the rise. Rapid and continual changes brings both challenge and great opportunity for accountancy. With our finger on the pulse of changing needs, our member organizations and their members are at the forefront of change. Working together, we can leverage disruption, change, and innovation to expand the profession and direct our future.

Collaborating with our member organizations throughout 2018, IFAC further supported our members as they deliver truly global profession of competent, credible professional accountants equipped to respond to changing needs. Accountants who are recognized as essential to strong, sustainable organizations, financial markets, and economies.

By focusing on delivering the greatest stakeholder value and channeling our comparative advantages, IFAC refined its emphasis on stakeholder satisfaction, while also delivering high-quality content and building the structures that will sustain even greater success in the future. We are proud of IFAC’s achievements in 2018 and excited at what the future holds.

Top among these achievements was the 2018 World Congress of Accountants in Sydney, Australia, hosted by IFAC, Chartered Accountants Australia and New Zealand, and CPA Australia. This pinnacle event for the global accountancy profession attracted more than 5,000 finance and business leaders, policy setters, and accountants and inspired them to take charge of our profession’s future. The conversations begun in Sydney will continue at the 2022 World Congress, which will take place Mumbai, India.

We completed our terms as president and CEO in 2018 and gratefully acknowledge the commitment and support of the IFAC Board, our member organizations and key stakeholders, and dedicated volunteers and staff. Without their tireless efforts, none of IFAC’s many accomplishments would be possible.

Scanning the Horizon

Rapidly-changing economic and social trends require the profession and IFAC to be agile and proactive. IFAC continually assesses global trends and their impact on accountancy, including these four paradigm-shifting trends.

Accountancy in the digital age

We are in the midst of the fourth industrial revolution in which our physical, digital, and biological worlds are blurring with unprecedented scope and speed. These disruptive changes and new business models result in a demand for new skills from professional accountants, including increased efficiencies and innovation.

Trust in business, capital markets, and the profession

Public trust in governments and institutions is at an all-time low. Simultaneously, the profession faces questions about ethics, professionalism, the adequacy of the standards, and performance in relation to those standards. We have the opportunity, and responsibility, to be part of the public conversation about rebuilding trust, including audit and corporate governance.

Multi-capitalism and long-term thinking and reporting

Investors and others assessing organizational performance increasingly take a broader multi-capital perspective based on value creation. Evolving business demands require accountants be able to contribute to how value creation is managed and reported—in a way that drives both corporate responsibility and growth. Tomorrow’s successful entities will be strategically nimble, future-ready, and embrace innovation, as will the professional accountants who support them.

Future generations

Competition is intensifying for talent, especially talent that is increasingly mobile. Globally, there are also widening gaps between available skills and employers’ needs, as well as a greater drive for workforce diversity and inclusion. To compete, the profession must effectively demonstrate and communicate our relevance and advancement opportunities.

The accountancy profession shares a responsibility to evolve and ensure it is fully capable of harnessing change. How quickly can we react to change? How nimble and agile can we be?

Working with and leveraging the thought leadership of our member organizations and others within our global network, IFAC proactively addressed these emerging challenges and opportunities in 2018, including by developing a new strategic plan.

Future Ready

IFAC’s strategic plan is designed to ensure the profession is ready to thrive in the faced with the challenges and opportunities of the future.

Vision

A global accountancy profession that is essential to strong, sustainable organizations, financial markets, and economies.

Purpose

IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession.

REPORT TO OUR STAKEHOLDERS

From the President and the Chief Executive Officer

Rachel Grimes

President

Fayez Choudhury

Chief Executive Officer

FUTURE READY

Rachel Grimes

President

Fayez Choudhury

Chief Executive Officer
2019-2020 Strategic Plan

With these trends in mind, we crafted a fresh two-year strategic plan in consultation with our member organizations and key stakeholders. Strategic Plan, 2019-2020: Build Trust. Inspire Confidence. identifies our mission-critical objectives and resulting strategic actions. It is a clear vision and mission that is durable beyond the two-year period covered in the plan.

Our strategic objectives for 2019-2020 are:

- Contributing to and promoting the development, adoption, and implementation of high-quality international standards;
- Preparing a future-ready profession; and
- Speaking out as the voice of the global profession.

As IFAC is a member organization, successful execution will be underpinned by a deep focus on stakeholder engagement and leveraging their talents. Multi-stakeholder engagement will also be crucial.

Accomplishing our objectives will require IFAC to:

- Engage with our member organizations, stakeholders, and multilateral international institutions;
- Explore opportunities to amplify knowledge and insights, focus on thought leadership, and explore research and partnership opportunities; and
- Harness our reputation and expertise to support professional accountancy organizations (PAOs) at the national and regional level, collaborate on public policy and regulatory issues, and promote PAOs and the profession to key stakeholders and other influencers.

With the Strategic Plan, 2019-2020: Build Trust. Inspire Confidence as our roadmap, we will employ our unique comparative advantages to achieve these outcomes, and greater stakeholder satisfaction. We will also increase global confidence in the accounting profession’s ability to act independently and provide high-quality services in the public interest.

IFAC’s Unique Comparative Advantages

Natural Facilitator
IFAC convenes key groupings of professional accountants and professional accountancy organizations on a global level. We identify and debate key issues, opportunities, and challenges relevant to the profession. We actively contribute to improving organizational reporting by contributing to and promoting the development, adoption, and implementation of high-quality international standards.

Trusted Intermediary
IFAC strengthens the profession by leveraging its global experience and relationships with key stakeholders, development partners, and professional accountancy organizations.

Knowledge Gateway
IFAC provides a global forum to share, synthesize, and create knowledge to support professional accountancy organizations and all accountants in providing high-quality services.

Influential Voice
IFAC represents and advocates, in the public interest, on behalf of the global accountancy profession, and increases awareness of the profession as essential to sustainable organizations, financial markets, and economies.
HOW IFAC CREATES VALUE

VISION FOR THE PROFESSION
Essential to Strong, Sustainable Organizations, Financial Markets, and Economies

IFAC PURPOSE
IFAC, with its Member Organizations, Serves the Public Interest by Enhancing the Relevance, Reputation, and Value of the Global Accountancy Profession

VALUES
Integrity, Expertise, and Transparency

IFAC GOVERNANCE
Council
Board
Committees
- Ethics & Governance
- Financial & Finance

IFAC GOVERNANCE 2018 STRATEGIC OBJECTIVES
- Support the development of international standards, and influence their adoption and implementation
- Be recognized as the leading voice for the global accountancy profession
- Grow membership and improve quality
- Sustain organizational performance
- Support high-quality practices by professional accountants

IFAC RESOURCES AND INPUTS
- Staff
- Knowledge Group, Management Advisory Team, Quality & Development
- Advisory Groups
- Annual CEO Forum
- Compliance Advisory Network
- International Accounting Education Standards Board
- Professional Accountants in Business
- IFAC Staff and Infrastructure
- Support Communications
- Finance
- Governance
- IP
- Operations
- Membership Dues
- Forum of Firms
- Grants and Other Income
- Funding
- Key Stakeholders Advisory Groups
- Member Organizations
- Forum of Firms
- Global Network
- Standard-Setting Bodies
- Annual CEO Forum
- Compliance Advisory Network
- International Accounting Education Standards Board
- Professional Accountants in Business
- IFAC COMPARATIVE ADVANTAGES
- Natural Facilitator
- Trusted Intermediary
- Global Knowledge Sharing Platform
- Influential Voice

SHARED RESOURCES AND INPUTS
IFAC KEY SERVICES
Supporting international standards
Accountancy capacity building
Quality & membership
Supporting the profession
Global advocacy

IFAC COMPARATIVE ADVANTAGES
- Guidance on international standards
- Member organizations and country profile assessments and updated action plans for all member organizations
- Programs to build PAO capacity
- Global Knowledge Gateway and other thought leadership, tools, and guidance

IFAC KEY OUTPUTS
- Programs and materials to enhance transparency and accountability in the public sector
- Policy positions, opinions, and points of view
- Supporting international standards and building accountancy capacity
- Quality & membership support
- Global advocacy

IFAC KEY OUTCOMES
- Strong and sustainable professional accountancy organizations developing and enhancing the quality of professional accountancy
- A global exchange of knowledge and ideas
- Effective policy and regulatory decisions aligning the profession with the needs of the public
- Enhanced recognition and confidence in professional accountants, and their relevance, reputation, and value
- Enhanced awareness of and dialogue on public interest and professional issues among key constituencies
- Reliable, comparable and timely organizational reporting
- Confidence in high-quality international standards that are adopted and implemented around the globe

REPORTING
- KPIs: Defining Success - IFAC Board
- Value to members and stakeholders: Integrated Annual Review

DELIVERING VALUE THROUGH OUR GLOBAL NETWORK
Our governance structure plays an integral role in how IFAC creates value for stakeholders. Specifically, the Council and Board ensure that IFAC operates effectively and meets strategic objectives.

Council
IFAC governance ultimately rests with the IFAC Council, which comprises one representative from each IFAC member. The Council held its annual meeting in November 2018 in Sydney, Australia, alongside the World Congress of Accountants. At this meeting, Council approved all agenda items, including Strategic Plan, 2019-2020: Build Trust. Inspire Confidence. It also elected a new president and deputy president, In-Ki Joo of South Korea and Alan Johnson of the United Kingdom and Portugal, respectively.

Board
The IFAC Board takes all practicable steps to achieve IFAC’s mission by governing and overseeing operations. It is composed of the president and not more than 22 additional members, including the deputy president. A guiding principle for Board membership is to ensure diverse representation on the Board, including gender diversity, regional representation, and professional backgrounds.

Following a recommendation from the search committee, the Board appointed the new CEO, Kevin Dancey, with an initial focus on:

- Overseeing the development of our new strategic plan;
- Reviewing and providing input on IFAC’s Monitoring Group response paper, Perspectives on the Way Forward for Strengthening the Oversight and Operations of the International Audit & Assurance and Ethics Standards Boards; and
- Developing new strategic initiatives, including the proposed new direction for advancing accountancy education at the global level and the new fit-for-purpose approach to quality membership.

Board Effectiveness
The Board has an extensive self-assessment and feedback process. Effectiveness is assessed annually for improvement opportunities, and a survey is completed after every meeting to identify areas for improvement.

Important value-creation activities to enhance the Board’s effectiveness in 2018 included:

- Holding a cultural awareness retreat focused on improving work in diverse cross-cultural teams, including facilitating better communication and collaboration;
- Implementing an expanded orientation program for new Board members; and
- Continuing a mentoring process that matches new and experienced Board members.

Board Subcommittees and Advisory Groups
The Board is assisted by several subcommittees. These include the Audit, Governance, and Planning and Finance Committees. In addition, Board members also participate in the Public Policy and Regulation and Technology Advisory Groups.

As incoming CEO Kevin Dancey implemented a new Management Advisory Team, which is a flatter and more inclusive management structure to ensure more effective and integrated operations and advise on vital matters.

Nominating Committee
The IFAC Nominating Committee makes recommendations to the Board, Council and Public Interest Oversight Board (PIOB) regarding the composition of IFAC’s committees and the standard-setting boards. The Nominating 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.

Key Stakeholder Engagement
Stakeholder satisfaction drives our strategy and work plan and activities, including key stakeholder engagement landing points. One of these is the annual stakeholder satisfaction survey to evaluate our performance. This survey meets our stakeholders’ views of IFAC’s performance in key areas: acting as the global voice of the profession and supporting small- and medium-sized practices (SMPs) and professional accountants in business.

IFAC also convenes an annual Chief Executives’ Forum, which creates an important opportunity to discuss trends, challenges, and implications with our largest member organizations. In 2018, our 16th annual Forum, “Inspire Confidence in a World of Rapid Change,” garnered more than 75 participants, including senior executives from 50 member organizations. Forum participants also had the opportunity to provide input into the development of our 2019-2020 strategy.
What We Do

Driving Our Key Outcomes

- Strong and sustainable PAOs developing and enhancing the quality of professional accountants
- A global exchange of knowledge and ideas
- Effective policy and regulatory decisions aligning the profession with the needs of the public
- Enhanced recognition of and confidence in professional accountants, and their relevance, reputation, and value
- Enhanced awareness of and dialogue on public interest and professional issues among key constituencies
- Reliable, comparable and timely organizational reporting
- Confidence in high-quality international standards that are adopted and implemented across the globe
SUPPORTING INTERNATIONAL STANDARDS

Strategic Objective: Support the development of international standards, and influence their adoption and implementation

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**Overall Performance**

IFAC met or exceeded all our Key Performance Indicators (KPIs) for this objective in 2018.

- Received an overall rating of 8.1 out of 10 from the standard-setting board chairs for the services delivered (2017 rating: 7.7).

**Serving as Secretaries**

- The IFAC Chair, Anne-Marie Vitale, has been the secretary of the International Public Sector Accounting Standards Board (IPSASB) since 2011.

**Supporting the International Standard-Setting Boards**

- The multi-stakeholder approach to developing high-quality standards includes financial and operational support from IFAC for the four international standard-setting boards:
  - **International Auditing and Assurance Standards Board (IAASB);**
  - **International Ethics Standards Board for Accountants (IESBA);**
  - **International Financial Reporting Standards Board (IFRSB);**
  - **International Private Sector Accounting Standards Board (IPSASB).**

**High-quality international standards, adopted and implemented in jurisdictions around the world, are indispensable to the global economy. They underpin 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.**

**Supporting the International Standard-Setting Boards**

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1. **International Auditing and Assurance Standards Board (IAASB);**
2. **International Ethics Standards Board for Accountants (IESBA);**
3. **International Accounting Education Standards Board (IAESB);**
4. **International Private Sector Accounting Standards Board (IPSASB).**

The IAASB, IESBA, and IFAC are overseen by the Public Interest Committee, which ensures that the public interest is served by the IFAC.

**Monitoring Group Review**

Since the inception of the four standard-setting boards, we have maintained a dialogue with regulators and other key stakeholders on potential enhancements to the governance model under which the standards are developed. During 2018, and particularly in response to the Monitoring Group Consultation: Strengthening the Governance and Oversight of the International Audit-Related Standard-Setting Boards in the Public Interest (November 2017), IFAC encouraged the Monitoring Group to engage in broad-based, open, and collaborative dialogue with key stakeholders to arrive at a proposal that would have the comprehensive support of all key stakeholders.

**The global accountancy profession’s contribution to this dialogue is reflected in:**

- **IFAC’s Response to the Monitoring Group Consultation (February 2018);**
- **The IFAC-commissioned Gibson Dunn report;**
- **IFAC’s Perspectives on the Way Forward for Strengthening the Oversight and Operations of the International Audit & Assurance and Ethics Standards Boards (August 2018).**

The Monitoring Group’s next consultation paper is expected in the second quarter of 2019. We look forward to continuing to actively engage with the Monitoring Group and other key stakeholders to progress this important dialogue and arrive at the best public interest outcome for the global economy.

**The Interim Nominating Committee**

In 2017, the Monitoring Group asked for IFAC’s cooperation in establishing an Interim Nominating Committee (INC) to make a recommendation for the next IAASB chair. The Interim Nominating Committee is comprised of five members and two observers representing IFAC and the PIOB, with IFAC serving as Secretariat. The Incumbent chair appointed for the next IAASB chairman.

After an extensive search and rigorous selection process, the recommended candidate was approved by IFAC, and the PIOB and other key stakeholders on potential enhancements to the governance model under which the standards are developed.

- **IFAC’s Perspectives on the Way Forward for Strengthening the Oversight and Operations of the International Audit & Assurance and Ethics Standards Boards (August 2018).**

**Board**

- The Board approved the model for advancing accountability education.
- The Board is satisfied with actions recommended and support provided for the Governance and Oversight of the International Standard-Setting Boards (February 2018);
- The Interim Nominating Committee was launched in Sydney, Australia at the World Congress of Accountants.

**Key Achievements**

- Provided more than US $21.5 million in fully- costed funding and approximately 25 staff members.
- Served as secretaries for the Interim Nominating Committee to recruit a new IAASB chair.
- Published the International Public Sector Financial Accountability Index: 2018 Status Report launched in Sydney, Australia at the World Congress of Accountants.
Professor Arnold Schilder’s term as IAASB Chair was extended to June 30, 2019 to allow for the INC to complete its work and recommend a new candidate. The new IAASB chair is expected to start on July 1, 2019.

Adoption and Implementation

We use a holistic approach to achieve global convergence to high-quality international standards that further trust, transparency, and economic growth and equality. In addition to supporting the standard-setting boards, we also enhance adoption and implementation of the standards by:

- Including standards adoption in our member organization requirements;
- Monitoring and reporting on global adoption status;
- Producing implementation guidance and resources;
- Developing the profession’s capacity to implement standards;
- Advocating for the value and importance of the standards; and
- Managing high-quality translations and reproductions to encourage widespread use while maintaining appropriate protections and copyrights.

Powered by information from our member organizations, we launched a bespoke campaign in 2018 to support International Standards: 2017 Global Status Report, the first-ever global snapshot. The report indicated, among other positive findings, that nearly 80% of jurisdictions worldwide have adopted the International Standards on Auditing for mandatory audits. In addition, more than 60% have adopted the International Code of Ethics for Professional Accountants. International Public Sector Accounting Standards adoption and implementation—especially building public sector accountancy capacity—has been a crucial focus for us. A key achievement in 2018 was the publication of The International Public Sector Financial Accountability Index 2018 Status Report by IFAC and the Chartered Institute of Public Finance and Accountancy, with the Zurich University of Applied Science as a knowledge partner. The report details public sector financial reporting quality around the world and assesses international adoption progress, and future outlook.

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)
- 55% made strides in the adoption of International Public Sector Accounting Standards
- 20% fully adopted all International Education Standards for all professional accountants

Adopted rates across all of the 130 jurisdictions in which IFAC member organizations operate.

Advancing Accountancy Education in the Public Interest

Advancing accountancy education is integral to our vision that the accountancy profession be recognized as vital to organizations, markets, and economies. Competent and credible professional accountants, committed to lifelong learning, underpin this vision.

To remain relevant in an environment of rapid change, professional accountants must increasingly demonstrate competencies beyond today’s typically-recognized accountancy competencies. In response, IFAC and the International Accounting Education Standards Board announced a new way forward in 2018.

To progress the new way forward, in 2018 we:

- Established the International Accountancy Education Transition Advisory Group to help shape the future model;
- Held a multi-stakeholder webinar to provide an overview of the future model and answer questions; and
- Conducted a stakeholder survey of the proposed model’s elements, which demonstrated strong support for the proposed future model.

The IESB, and its PIOB oversight, will cease in 2019 when the IESB has completed its work plan. The future model will become effective on July 1, 2019.

During 2018, IFAC collaborated with the Association of Accounting Technicians of the UK to develop an Illustrative Competency Framework for Accounting Technicians. The publication, issued in early 2019, is a resource for FIsOs developing an AT designation as an additional pathway into the accountancy profession. This dialogue will continue throughout 2019, and serve as an example for a new, collaborative way forward.

*Adopted rates across all of the 130 jurisdictions in which IFAC member organizations operate.

SUPPORTING INTERNATIONAL STANDARDS
Key Achievements
- Advocated against restricting firms to auditor-only in POLITICAL
- Determined the global cost of regulatory fragmentation, adding a decisive proof-point to our messaging on the importance of collaboration in policy setting.
- Issued the profession’s policy recommendations to the G20
- Increased international, non-English language, and top-tier media coverage of the accountancy profession
- Grew our social media audiences across all channels.
- Successfully co-hosted the World Congress of Accountants during an interview with Good Evening India, which has 400 million viewers.
- Announced the IFAC Board's selection of Mumbai India as the host city for the 2022 World Congress of Accountants.
- Hosted the second annual Global Communication Forum for senior communicators from our member organizations.
- Launched multiple country-specific surveys to capture public perception of the accountancy profession
- Gave our social media audiences access across all channels.
- Determined the global cost of regulatory fragmentation affecting the business and financial landscape, resulting in positive and impactful media coverage.

Overall Performance
- Positive stakeholder satisfaction
  - 2018: speaking out, 7.9/10; improving the reputation of the profession, 7.7/10; advocating effectively, 7.6/10
  - 2017: speaking out, 7.8/10; improving the reputation of the profession, 7.6/10; advocating effectively, 7.6/10
- Significantly contribute to three events focused on identified platforms, and receive overall positive feedback.
- Fully the 2016 Communications Plan, developed by IFAC and Edelman, and approved by the IFAC Board, and achieve all identified KPIs.
- IFAC proactively represents and advocates for the accountancy profession at the global level, and strives to drive conversations that raise awareness of the profession's crucial roles in building strong societies, financial markets, and economies.

Thought leadership
- Audit quality and reform
  - IFAC participated in the international conversation on significant audit reform in 2018. The article in POLITICO by IFAC CEO Kevin Dancey added advocacy’s perspective on this key issue to the global discussion and resulted in further media inquiries and more than 20 media mentions around the world.
- Fighting fraud, corruption and money laundering
  - Before the G20 Summit in Buenos Aires, IFAC supported the accountancy profession in Argentina/Latin America as a prominent voice in the fight against corruption. We signed an anti-corruption compact with the International Bar Association, hosted an anti-corruption event with the B20, and launched a survey on corruption and perception of the profession. We also issued the profession’s ten actionable recommendations for G20 countries to advance the global economy.

Global outreach and engagement
- World Congress of Accountants
  - In November, we leveraged the 2018 World Congress of Accountants in Sydney, Australia, to amplify the profession's priorities, including throughout the agenda, keynote speeches, panels and sessions. We also used the opportunity to connect with the more than 5,000 attendees in our customized exhibition booth.

Regulatory fragmentation
- Working with Business at OECD, we issued a report highlighting the 100 billion cost of regulating divergence, adding a decisive proof-point to our messaging on the importance of collaboration in policy setting. Using the report’s findings as the basis of a broad-based communications campaign, IFAC achieved headline-grabbing coverage in major financial media, including the Financial Times, Bloomberg and The Wall Street Journal, as well as local-language media coverage across 15 jurisdictions. A robust social media campaign and toolkit for member organizations further extended the report’s messaging to key audiences—resulting in our most impactful leadership launch to date.

Talent
- To better understand the next generation’s career aspirations, we commissioned a survey examining the career preferences of Generation Z as a prominent voice in the fight against corruption. We signed an anti-corruption compact with the International Bar Association, hosted an anti-corruption event with the B20, and launched a survey on corruption and perception of the profession. We also issued the profession’s ten actionable recommendations for G20 countries to advance the global economy.

Tax
- We also published an article by Executive Director Russell Guthrie in Forbes on international tax issues that was published following the US tax-filing deadline. The article called for enacted global cooperation from policy makers for effective taxation in the globalized, digital economy.

Edelman
- In 2018, we deepened our successful partnership with public relations agency Edelman, taking full advantage of Edelman’s international reach, Edelman gained traction with media across the globe, resulting in positive and impactful media coverage across Africa, Latin America, Europe and North America. We were also able to take advantage of Edelman’s advice on digital and social media strategy in 2018, resulting in a 10% year-on-year increase in followers across Edelman social media channels.
Media outreach
Our strategic focus on building credibility in international markets, speaking into topical issues in different geographies, and taking advantage of executive travel resulted in a notable increase in global earned media coverage.

In 2018, our 2018 media program also included country-specific surveys to drive coverage. These surveys, conducted in India in late 2017 and Argentina in mid-2018, captured the public’s perception of the accounting profession, as well as insight into key issues affecting the business and financial landscape.

Our ongoing outreach connected to IFAC leadership travel and event participation also continued to pay dividends in 2018. IFAC also leveraged events in Zimbabwe, Nigeria, and South Africa to build media relationships and position our organization’s leadership.

Communications Plan KPIs
- Develop thought leadership and digital campaigns
- Drive media interviews and place original content
- Increase international and non-English language media coverage
- Develop messaging and engage on standard-setting issues, including on the Monitoring Group proposals.

In 2018, IFAC achieved 50% more media coverage globally and 10x as much top-tier coverage (compared to 2017).

2018 Communicators Forum
Building on the success of its first Global Communicators Forum, IFAC hosted the second annual Forum, drawing senior communicators from our member organizations around the world. Bringing these communicators together enabled us to both engage with our members’ key messaging and to offer new perspectives and learnings. Focused on the power of storytelling, the 2018 Forum leveraged our relationship with Edelman and drew on discussions at the IFAC Chief Executives Forum. The event helps us extend the voice of the profession in partnership with our member organizations, and creates a two-way opportunity for amplification and collaboration.

2018 Social Media Snapshot
- 23.3K Twitter followers, 13% increase since 2017
- 16.1K Facebook followers
- 11K LinkedIn followers
- 82.6 million total social impressions
- 13K social media engagements with IFAC posts
- 8.2K social posts mentioning IFAC
- 6.7K unique shares of IFAC social media

2018 Media Coverage by Region
- United States of America: 14%
- Canada: 1%
- Europe: 20%
- Australia / New Zealand: 3%
- East Asia: 8%
- South Asia: 14%
- Africa: 34%
- Latin / South America: 6%

2018 Media Coverage by Topic
- Audit reform: 7%
- Capacity Building: 6%
- Education: 7%
- Ethics: 6%
- Gender: 14%
- Governance: 3%
- Role of the Accountant: 23%
- Standard Setting: 18%
- Technology: 5%
- WCOA: 6%
Key Achievements

- Following Council’s approval, admitted one new member: the Association of Accountants of the Republic of Latvia.
- Completed 159 member and associate profiles, including international standards adoption status and IFAC requirements.
- Worked directly with members and associates to support and resolve specific, targeted challenges using CARE—communication, assistance, review, and enforcement.

Strategic Objective: Grow membership and improve quality

Following outreach, engagement, and specific, targeted challenges using CARE—communication, assistance, review, and enforcement.

Developed five regional priority plans as part of a strong foundation in preparation of future IFAC membership. When our Council votes to admit new members and associates, they can see years of continuous progress—demonstrating the PAO’s quality and readiness to join our network.

In 2018, we began implementing a new approach to driving quality membership. The new structure and oversight are six key focus areas that include transitioning the Compliance Advisory Panel to a membership committee during 2019. This will allow the committee a more targeted focus on admission and enforcement matters while staff continues to implement the Compliance Program. The Program will continue to be overseen by the IFAC Board, without the additional oversight of the PIOB.

The Program also steers the membership development, engagement, and volunteers, published seven articles on the Global Knowledge Gateway sharing experience and knowledge with the broader IFAC community.

Developed five regional priority plans as part of our active pipeline management to reach the KPI target of nine new members and associates by the end of 2020.

Following outreach, engagement, and development support, received nine applications in late 2018 for the 2019 admission cycle.

- Staff and volunteers carried out targeted engagements, such as IFACs interested in progressing with IFAC membership in 21 jurisdictions covering 5 regions.

Our Membership Requirements

Adoption and implementation of high-quality international standards and improvements in market performance and reputation. GROWING MEMBERSHIP

Overall Performance

- IFAC met or exceeded all of its targets for this objective in 2018, which called for:
  - Helping members enhance quality assurance review systems, investigative and disciplinary mechanisms, and their promotion of adoption and implementation of international standards; and
  - Advancing membership growth.

IFAC membership is a globally recognized hallmark of a high-quality PAO. IFAC membership makes it clear to public and private sector organizations locally, regionally, and internationally that the PAO has credibility, sustainability, and standing.

Our membership requirements include international standards adoption and implementation, as well as quality assurance and investigation and discipline systems.

Member Requirements & Improving Quality

IFAC member organizations all participate in our Member Compliance Program. The Program helps member organizations understand and follow clear guidelines and benchmarks on how to ensure high-quality performance and champion international standards. It also gauges continual improvements in development areas.

Global Assessments

The Compliance Program’s two principal outputs are PAO produced status updates and IFAC produced full assessments of progress, challenges and further opportunities for collaboration and partnerships. These updates and assessments power IFAC’s information on the global status of international standards implementation and adoption.

Developing Strong Future Members

The Program also shares the membership admission process and pipeline. IFAC begins working with developing PAOs well in advance of their formal application. This allows the PAO to begin to follow our requirements and use our benchmarks and resources to lay a strong foundation in preparation of future IFAC membership. When our Council votes to admit new members and associates, they can see years of continuous progress—demonstrating the PAO’s quality and readiness to join our network.

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The Program will continue to be fully transparent, including publishing all compliance information online. We will also continue to develop and improve its membership program, such as enhancing the risk-based approach to developing and monitoring action plans for well-developed member organizations. As well, we will continue to develop our self-assessment tools and reporting methodology. Crucial collaboration with partners and stakeholders, such as the international standard-setting boards and the World Bank, will also continue.

Knowledge Sharing

Knowledge sharing supports quality across the entire profession, and provides our member organizations the opportunity to amplify their success stories. It was a primary focus in 2018 and remains one for 2019.

In 2018, we leveraged knowledge and experience from our member organizations, volunteers and staff by increasing the member organization-driven content published on the Global Knowledge Gateway. These articles provide our member organizations the opportunity to share how they approached and resolved issues, their adoption and implementation progress, and technical expertise. Using this approach, member organizations’ reach and influence were extended to Gateway’s 100,000+ annual web visitors and its 10,000+ subscribers.

New Member: Association of Accountants of the Republic of Latvia

Knowledge Sharing on Gateway

- The Bahamas Institute of Chartered Accountants explained its national legislation which it worked to implement to develop and advance.
- The Cayman Islands Institute of Professional Accountants shared the importance of adapting government laws.
- The Colegio de Contadores Públicos de la República Dominicana shared its success story on how improving PAO governance can empower.
- The Institute of Chartered Accountants of Barbados detailed how changing the corporate governance of its member organizations also continued.
- The Institute of Chartered Accountants of India told its success story on building an end-to-end knowledge sharing platform for its members.
- The Lesotho Institute of Accountants detailed its journey to a localized professional accounting qualification.
- The Society of Certified Accountants and Auditors of Kosovo provided advice on how improving PAO governance can empower its members.
- The Institute of Chartered Accountants of India extended to Gateway’s 300,000+ annual web visitors how they approached and resolved issues, their adoption and implementation progress, and technical expertise. Using this approach, member organizations’ reach and influence were extended to Gateway’s 100,000+ annual web visitors and its 10,000+ subscribers.

- The Institute of Chartered Accountants of India told its success story on building an end-to-end knowledge sharing platform for its members.

Thank you to all our member organizations that shared their stories on Gateway and with the IFAC global network.
Key Achievements

- Participated in or organized 19 outreach engagements and stakeholder events, including five regional events, to raise awareness of the value and need to develop the accountancy profession.
- Provided technical assistance to 16 member organizations, whose support needs were identified through regional priorities.
- Leveraged the expertise of the PAO Development Committee to publish new content to help PAOs become future-ready.
- Sustained seven ongoing UK Department for International Development (DFID)-funded PAO capacity-building projects in Ghana, Kyrgyz Republic, Myanmar, Nigeria, Rwanda, Zambia, and Zimbabwe, as well as supporting the Pan-African Federation of Accountants.
- Approved a regional project to develop an online learning platform for a public sector qualification by the African Organization of English-speaking Supreme Audit Institutions.
- Approved Capacity Building Program and PAO’s approach.

Overall Performance

We met or exceeded all KPIs for this objective in 2018, which called for:

- Successful execution of the IFAC-Board approved Capacity Building Program and Donor Engagement week plans.
- DFID annual review rating not below “A”.
- Effective management of the DFID relationship and grants.

Competent accountants behaving with integrity provide society with reliable financial information that underpins economic development, and ultimately contributes to reduced poverty and shared prosperity.

PAOs are the cornerstone of a strong accountancy profession. They are the engines that produce the competent professionals who create reliable financial and non-financial information that supports economic development.

PAOs educate and certify accountancy professionals according to international technical and ethical standards and best practices, improve the quality of financial reporting through the review, investigation, and discipline, and act as a resource to government, regulators, and other stakeholders.

Without strong, sustainable PAOs there wouldn’t be accountants able to facilitate economic activity, development, and decision making by the public and private sectors.

Building PAO capacity is central to strengthening the profession.

Capacity Building

Our PAO Capacity Building Program leverages an extensive network and seeks out mutually-beneficial partnerships, realizing opportunities for collaboration and optimization of scarce human and financial resource. Projects frequently use a PAO-to-PAO model to share experiences and common solutions and generate partnerships that extend beyond the lifetime of the initial engagement.

Beginning in 2014, the Program included a grant from DFID, which has funded projects in eight countries across Africa and Asia. Beyond DFID-funded projects, IFAC establishes regional priorities to support current and potential member organizations. Staff and volunteers engage directly with the PAO, including on-the-ground and virtual technical assistance. These support efforts are aided by the IFAC PAO Development Committee, whose members are often the lead technical advisor working with each PAO.

Education

Education and pathways for professional accountants was also a key IFAC focus area in 2018 and will continue to be in 2019. During 2018, IFAC collaborated with the Association of Accounting Technicians of the UK to develop a Comprehensive Framework for Education and Qualification (Education & Qualification) for PAOs.

This publication, issued in early 2019, is a resource for PAOs developing an AT designation as an additional pathway into the accountancy profession. This dialogue will continue throughout 2019 (see supporting international standards for more information on the future path for international accountancy education).
**Key Achievements**

- Held two CFO roundtables in Malaysia and Singapore with the support of the Malaysian Institute of Accountants and the Institute of Singapore Chartered Accountants (ISCA).
- Conducted a workshop with 16 PAOs to help them better support and engage with accountants in business and the public sector.
- Hosted a webinar with more than 25 PAOs to gain insight into PAO needs in relation to IFAC and accountants in business.
- Advocated for the accountants in business and SMPs within the standard-setting process, including ongoing interaction with the standard-setting boards.
- Produced videos and materials to help IFAC member organizations engage and support their membership.
- Published 10+ original articles and videos on the Global Knowledge Gateway.
- Attracted more than 316,000 unique visitors to the Global Knowledge Gateway.
- Produced key resources and materials to support their membership.
- Hosted a webinar with more than 25 PAOs to gain insight into PAO needs in relation to IFAC and accountants in business.
- Produced videos and materials to help IFAC member organizations engage and support their membership.
- Published 10+ original articles and videos on the Global Knowledge Gateway.

**Outreach Activities**

- Kampuchea Institute of Certified Public Accountants and Auditors (KIPA) Federation of Accountants Conference 2018, Digitalization of Accounting, (Phnom Penh, Cambodia)
- West Africa Economic and Monetary Union International Congress (Dakar, Senegal)
- AIC, National congress, Brescia, Italy
- 30+ additional events and speaking/stakeholder engagement opportunities

**Overall Performance**

Delivered value to member organizations by supporting the accountants in business and small- and medium-sized practice constituencies.

- Accountants in business: 7.6/10 in 2018, 7.6/10 in 2017
- SMP: 7.7/10 in 2018, 7.8/10 in 2017

**Global Insights and Advocacy**

Using our international convening power, IFAC brought together accountants in business, SMPs, PAOs, and other stakeholders in London, New York, Singapore through committee meetings. These events facilitated high-quality interaction, engagement and collaboration, and provided the opportunity to identify and debate trends, opportunities and challenges. They also increased engagement and collaboration with IFAC member organizations and others in our network provided opportunities to advocate and promote awareness of the value of these segments of the profession, and, importantly, generate actionable recommendations for IFAC member organizations on discussed issues.

**Policy and Standards**

IFAC support for these key constituencies includes specific input into policy and standards in 2018, including participation on the B20 SME Development Task Force in Argentina ahead of the G20 meeting, and with IFAC’s Public Policy and Regulation Advisory Group.

**Global Knowledge Gateway**

Directed at member organizations and other PAOs, the Global Knowledge Gateway now includes input into policy and standards on behalf of these key constituencies, and promoting awareness of their vital roles as business partners and advisors, continues to be strategically important for IFAC and our member organizations.

**Global Insights and Advocacy**

Using our international convening power, IFAC brought together accountants in business, SMPs, PAOs, and other stakeholders in London, New York, Singapore through committee meetings. These events facilitated high-quality interaction, engagement and collaboration, and provided the opportunity to identify and debate trends, opportunities and challenges. They also increased engagement and collaboration with IFAC member organizations and others in our network provided opportunities to advocate and promote awareness of the value of these segments of the profession, and, importantly, generate actionable recommendations for IFAC member organizations on discussed issues.

**Policy and Standards**

IFAC support for these key constituencies includes specific input into policy and standards in 2018, including participation on the B20 SME Development Task Force in Argentina ahead of the G20 meeting, and with IFAC’s Public Policy and Regulation Advisory Group.

Advocating for these constituencies in the standard-setting process includes ongoing interaction with the standard-setting boards, such as:

- Feedback on proposed standards through more than 16 formal and informal responses to proposals and meeting papers (19 in 2017).
- Attendance by standard-setting board members at committee meetings.
- Engaging in conference calls and webinars on specific SMP issues, and.
- SMP Committee members participation in various standard-setting board task forces and working groups.

Input into standard setting on behalf of these segments of the profession also contributes to IFAC’s support for standard setting more broadly.

**Knowledge sharing and resource development**

In collaboration with PAOs, committee members, partners, and other stakeholders, we developed thought leadership, guidance, toolkits, articles, and webinars in 2018 to achieve our objective.

**Professional Accountants in Business**

Engaging accountants in business presents a practical challenge since they are dispersed across many organizations and locations, often in small numbers. Consequently, they often become disconnected from their member organization. To help PAOs take a strategic and practical approach to enhancing relevance for accountants in business, IFAC provided our member organizations with a self-assessment evaluation tool to identify the areas of growth and investment.

**Small- and Medium-sized Practices**

During 2018, IFAC prepared promotional and communications materials to counter a lack of awareness of the range of resources, tools and guidance available for SMPs. IFAC also worked closely with member organizations to increase local impact.

**Knowledge sharing and resource development**

In collaboration with PAOs, committee members, partners, and other stakeholders, we developed thought leadership, guidance, toolkits, articles, and webinars in 2018 to achieve our objective.
OUR HUMAN AND INTELLECTUAL RESOURCES

Key Achievements

- Implemented the People Development Program for leadership, including emerging leaders.
- Expanded our mentoring program.
- Instituted the Human Resources and Compensation Committee, and an IFAC Board subcommittee created to provide oversight and guidance on effective human resources administration.
- Engaged a global management consultancy firm to align existing competitive and governing practices, and to strengthen the link to performance.
- Implemented enhanced Time-Off and Volunteer Policies focused on staff well-being and encouraging social responsibility.
- Achieved an upward trend in work-life balance as measured by the Employee Engagement Survey.
- Commissioned a culture study to enhance and sustain a culture that performs.
- Implemented a new payroll and fully integrated resources management, on behalf of the IFAC Board.
- We continued to strengthen relationships with member organizations and stakeholder groups to take an inclusive approach that supports the diverse needs of all our members and stakeholders.
- Our Human Capital Strategy drives organizational performance through integrated human capital initiatives throughout an employee’s employment life cycle. Each of these initiatives help deliver our employee value proposition, which is necessary for both attraction and retention of the best possible talent.

Effective People, Leadership & Development, and Performance

Highly-qualified staff enable IFAC to execute our strategy, and our ability to attract and retain a diverse, adept, professional staff is a key focus.

Our Human Capital Strategy drives organizational performance through integrated human capital initiatives throughout an employee’s employment life cycle. Each of these initiatives help deliver our employee value proposition, which is necessary for both attraction and retention of the best possible talent.

- Engaged a global management consultancy firm to align existing competitive and governing practices, and to strengthen the link to performance.
- Implemented enhanced Time-Off and Volunteer Policies focused on staff well-being and encouraging social responsibility.
- Achieved an upward trend in work-life balance as measured by the Employee Engagement Survey.
- Established the Human Resources and Compensation Committee to provide oversight and guidance on effective human resources management, on behalf of the IFAC Board.
- We continued to strengthen relationships with member organizations and stakeholder groups to take an inclusive approach that supports the diverse needs of all our members and stakeholders.
- Our Human Capital Strategy drives organizational performance through integrated human capital initiatives throughout an employee’s employment life cycle. Each of these initiatives help deliver our employee value proposition, which is necessary for both attraction and retention of the best possible talent.

Compensation Paid in 2018 - Senior Management Personnel

<table>
<thead>
<tr>
<th>IFAC</th>
<th>Base compensation</th>
<th>Incentive compensation</th>
<th>Retirement compensation</th>
<th>Nonqualified benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fayezul Choudhury</td>
<td>676,866</td>
<td>284,700</td>
<td>35,175</td>
<td>4,420</td>
<td>1,004,161</td>
</tr>
<tr>
<td>Kevin Dancey</td>
<td>365,175</td>
<td>22,975</td>
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<td>5,625</td>
<td>450,150</td>
</tr>
<tr>
<td>Russell Guthrie</td>
<td>509,204</td>
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<td>35,175</td>
<td>30,814</td>
<td>655,393</td>
</tr>
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<td>Alla Perrels</td>
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<td>438,893</td>
</tr>
</tbody>
</table>

Additional compensation information is publicly disclosed in our US Internal Revenue Service Form 990.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee was established in 2018 to provide oversight and guidance on effective human resources management, on behalf of the IFAC Board. The HRCC’s first meeting was held in 2019. We engaged the Korn Ferry-Hay Group to assist us with our recruitment initiatives.

The philosophy underlying our total rewards program is to provide an attractive, flexible, and market-based compensation program designed to help our staff achieve our mission and strategy. This helps us recruit and retain high-caliber talent. We view total rewards as an additional means to communicate our values and standards of conduct and performance by motivating and rewarding employees for their achievements.

Intellectual property

High-quality translations are required to ensure consistent international standards. Implementing translating and reproductions of implementation support and guidance also help improve efforts in jurisdictions around the world.

In 2018, IFAC signed 189 reproduction and translation agreements (131 in 2017) and completed 75 total translations in 21 languages for more than 50 publication.

IFAC maintains strong intellectual property stewardship. Our intellectual property policies balance the need for widespread standards adoption, including translation initiatives, with processes that ensure this vital intellectual property—including our brands and publications—remain appropriately protected.

OUR HUMAN AND INTELLECTUAL RESOURCES

Member and Volunteer Value

Our network encompasses emerging, developing and well-developed economies, and IFAC’s activities vary significantly in development, capacity, legal status, and authority. Through IFAC member organizations, key constituents include accountants working in businesses and practices of all sizes, the public sector, and academia—three million worldwide.

IFAC maintains robust relationships with firms, international standard setters, oversight organizations, donors and development agencies, and other international organizations. In 2018, we continued to strengthen relationships with member organizations and stakeholder groups to take an inclusive approach that supports the diverse needs of all our members and stakeholders.

Our diverse Board and committee volunteers are central to our effective functioning and meeting our objectives; these 164 committed experts dedicate countless hours to support IFAC in achieving our objectives and serving the public interest.

We volunteer to represent IFAC at global, regional and national events, with current and potential member organizations, and provide thought leadership and original content.

IFAC members play a key role in the nominations process for both attraction and retention of the best possible talent.

Our Human Capital Strategy drives organizational performance through integrated human capital initiatives throughout an employee’s employment life cycle. Each of these initiatives help deliver our employee value proposition, which is necessary for both attraction and retention of the best possible talent.

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APPENDICES
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 2018 Financial Statements, which include the independent auditor’s report.

Financial Highlights
- IFAC is reporting a deficit of $273 thousand for 2018 (2017: $2.6 million surplus). IFAC had an operating surplus of $164 thousand offset by net unrealized foreign exchange losses on foreign currency bank accounts of $437 thousand.

Financial Performance
- Total revenue increased by 2% (2017: 8%) to $35.8 million.
- Membership dues increased by 2.25% over 2017 as a result of increased dues from existing members and new member organizations.
- The Forum of Firms’ 2018 financial contribution to IFAC remained comparable to 2017.
- External funding increased by 59.5% mainly due to the World Business Council for Sustainable Development and UK Department for International Development grants.
- Publication sales and royalties and license fees decreased by 27% due to a delay in publishing the IAASB handbook, and other revenue decreased by 36% due to lower foreign exchange gains.

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Dues</td>
<td>$20,680,500</td>
<td>$20,225,000</td>
</tr>
<tr>
<td>Forum of Firms</td>
<td>12,221,043</td>
<td>12,256,930</td>
</tr>
<tr>
<td>External Funding</td>
<td>2,003,956</td>
<td>1,579,626</td>
</tr>
<tr>
<td>Publications, Royalties, and Licensing</td>
<td>307,667</td>
<td>423,620</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>405,689</td>
<td>637,510</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>$35,819,265</td>
<td>$35,122,986</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Costs</td>
<td>$19,006,594</td>
<td>$17,824,946</td>
</tr>
<tr>
<td>Travel and Meeting Costs</td>
<td>5,792,777</td>
<td>4,670,035</td>
</tr>
<tr>
<td>Occupancy and Maintenance</td>
<td>1,297,956</td>
<td>1,296,782</td>
</tr>
<tr>
<td>Funding for the Public Interest Oversight Board</td>
<td>1,167,626</td>
<td>1,003,782</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>562,563</td>
<td>533,484</td>
</tr>
<tr>
<td>IT Support</td>
<td>709,112</td>
<td>642,287</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>7,556,083</td>
<td>6,254,872</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$36,092,711</td>
<td>$32,524,138</td>
</tr>
</tbody>
</table>

2018 ALLOCATION
- Total expenses increased by 11% (2017: increased by 1.8%) to $36 million.
- Employee costs increased by 6.6%. The increase was mainly due to increases in staff positions, remuneration, and transition costs for the incoming CEO partly offset by unplanned staff vacancies.
- Travel and meeting costs increased by 19% mainly due to World Congress of Accountants and increased travel activities across the organization to deliver on work plans.
- Other expenses increased by 20.8% mostly due to use of consultants, higher recruitment and relocation costs, and higher foreign exchange loss.

<table>
<thead>
<tr>
<th>EXPENSE ALLOCATION TO ACTIVITIES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standards Development</td>
<td>$21,483,134</td>
<td>$18,810,393</td>
</tr>
<tr>
<td>Global Representation &amp; Advocacy</td>
<td>2,570,733</td>
<td>2,005,076</td>
</tr>
<tr>
<td>Global Accountancy Profession Support</td>
<td>5,124,270</td>
<td>3,286,023</td>
</tr>
<tr>
<td>Global Accountancy Profession Development</td>
<td>5,380,006</td>
<td>4,604,136</td>
</tr>
<tr>
<td>Quality &amp; Membership</td>
<td>3,534,568</td>
<td>3,724,710</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$36,092,711</td>
<td>$32,524,138</td>
</tr>
</tbody>
</table>

2018 EXPENSES
- Employee Costs 58%
- Travel and Meeting Costs 16%
- Occupancy and Maintenance 4%
- Funding for the Public Interest Oversight Board 3%
- Other Expenses 20%

2018 EXPENSES
- Travel and Meeting Costs 23%
- IT Support 15%
- Other Expenses 13%
- Depreciation and Amortization 2%
- Funding for the Public Interest Oversight Board 1%
- Occupancy and Maintenance 1%
- Employee Costs 33%
Financial Position

- Total assets decreased by 6.13% (2017: increase 19.5%) and total liabilities decreased by 16.96% (2017: increase 11.1%) thereby increasing total net assets by 5.17%.

- As of December 31, 2016, based on a discount rate of 4.9% (2017: 3.75%), the funded status of the defined benefit pension plan was negative $2.3 million (2017: negative $1.1 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 benefits accrual would occur after January 31, 2017. 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, 2016, was $10.3 million (2017: $9.8 million).

IFAC Members (As at December 31, 2018)

<table>
<thead>
<tr>
<th>Country</th>
<th>National Professional Accountancy Bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Colegio de Auditores de Bolivia</td>
</tr>
<tr>
<td>Argentina</td>
<td>Federación Argentina de Consejos Profesionales de Ciencias Económicas</td>
</tr>
<tr>
<td>Austria</td>
<td>Chartered Accountants Australia and New Zealand</td>
</tr>
<tr>
<td>Belgium</td>
<td>CFA Australia</td>
</tr>
<tr>
<td>Bosnia</td>
<td>Institute of Public Accountants</td>
</tr>
<tr>
<td>Barbados</td>
<td>Institute Österreichischer Wirtschaftsprüfer</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Kamaran der Wirtschaftsprüfer der Banken und Anleger</td>
</tr>
<tr>
<td>Bahrain</td>
<td>Chartered Institute of Accountant Auditors</td>
</tr>
<tr>
<td>Bahamas</td>
<td>Bahamian Institute of Chartered Accountants</td>
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<td>Bangladesh</td>
<td>Institute of Certified Accountants</td>
</tr>
<tr>
<td>Botswana</td>
<td>Botswana Institute of Chartered Accountants</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Chartered Institute of Certified Public Accountants</td>
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<tr>
<td>Chile</td>
<td>Colegio de Contadores de Chile</td>
</tr>
<tr>
<td>China</td>
<td>Chinese Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>Colombia</td>
<td>Federación de CFA Asociaciones de Colombia</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Colegio de Contadores Públicos de Costa Rica</td>
</tr>
<tr>
<td>Croatia</td>
<td>Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>Cuba</td>
<td>Colegio de Auditores de la República Cubana</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Fédération Internationale des Experts Comptables</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Instituto de Contadores Públicos Autorizados de la República Dominicana</td>
</tr>
<tr>
<td>Egypt</td>
<td>Egyptian Society of Accountants and Auditors</td>
</tr>
<tr>
<td>Estonia</td>
<td>Estonian Auditors' Association</td>
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<tr>
<td>Ethiopia</td>
<td>Institute of Certified Accountants</td>
</tr>
<tr>
<td>Finland</td>
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<tr>
<td>France</td>
<td>Fédération Internationale des Experts Comptables</td>
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<tr>
<td>Georgia</td>
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<tr>
<td>Guatemala</td>
<td>Instituto Nacional de Contadores Públicos de Guatemala</td>
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<tr>
<td>Iceland</td>
<td>Félag Löggiltra Endurskodenda</td>
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<td>India</td>
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Our Global Network

Hong Kong, Special Administrative Region of China

IFAC Members (As at December 31, 2018)
IFAC Board

- Thorsten Kleibold, United States
- Tommye Barie, United States
- Bill Balhoff, United States
- Alan Johnson, United Kingdom (Portugal)
- Fanisa Lamola, South Africa
- Yacoob Suttar, Pakistan
- Norunn Byrkjeland, Norway
- Sebastian Owuama, Nigeria
- Asmâa Resmouki, Morocco
- Shinji Someha, Japan
- Pamela Monroe-Ellis, Jamaica
- Elbano de Nuccio, Italy
- Gail McEvoy, Ireland
- Raphael Ding, Hong Kong, Special Administrative Region of China
- Philippe Arraou, France
- Zhiguo Yang, China
- Idésio Coelho, Brazil
- Richard Petty, Australia
- In-Ki Joo, Deputy President, Republic of Korea
- Rachel Grimes, President, Australia

(2017 to 2018)

NOMINATING COMMITTEE

(October 2017 to December 2018)

IFAC Committees

- Technology Advisory Group
- Audit Committee
- Governance Committee
- Public Policy & Regulation Advisory Group
- Planning and Finance Committee
- Professional Accountancy Organization Development Committee
- Professional Accountants in Business Committee
- Transnational Auditors Committee

Voting Representatives

- Wallace H. Craft, China, Deloitte Touche Tohmatsu Limited
- Andrew Colen, Kreston International
- Petter Colenius, Deloitte Touche Tohmatsu Limited
- Donald Zinner, Deloitte Touche Tohmatsu Global Limited
- Shaul Minor, Deloitte Touche Tohmatsu Limited

Alternate Representatives

- Chuck Smith, AMIC
- Gill Spaul, Moore Stephens International
- Jennifer Haskell, Deloitte Touche Tohmatsu Limited
- Sue Almond, Grant Thornton International Ltd

Swiss Liaison Officer
- Frances Willard